# The National Underwriter A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 3, 1931

FIRE AUTOMOBILE



INLAND MARINE TORNADO

Capital

\$1,000,000.00

# MONARCH FIRE INSURANCE COMPANY

4300 EUCLID AVENUE CLEVELAND, OHIO

RALPH RAWLINGS, PRESIDENT

THE MONARCH LINE INCLUDES—

Aircraft Damage

**Automobile** 

Contractors Equipment

Department Store Floaters

Explosion

Fine Arts

Fire

Fur Policies—All Risks

Horse and Wagon Floaters

Jewelry and Furs

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Miscellaneous or Unusual Risks

Motorcycles

Motor Truck Cargo

Musical Instruments

Parcel Post

Personal Effects—Baggage

Registered Mail

Rents and Rental Value

Riot and Civil Commotion

Salesmen's Floaters

Silverware—All Risks

Tornado

Tourist Floaters

Trip Transit

Rents

Leasehold

Use and Occupancy

MONARCH MASTERS
YOUR INSURANCE PROBLEMS

INDIVIDUAL INTEREST IN EVERY AGENT Let's look ahead—tomorrow's prosperity is dependent upon the courage, common sense and energy with which we overcome today's problems. . Fireman's Fund, Home Fire & Marine and Occidental Insurance companies, the Fireman's Fund and Occidental Indemnity companies. . .

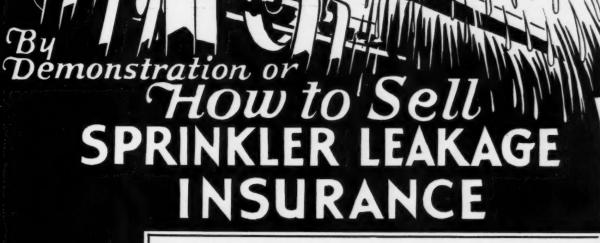
SAN FRANCISCO

**NEW YORK** 

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BETTER, perhaps, how NOT to sell Sprinkler Leakage Insurance. We all know that throwing a monkey wrench in the works gets anyone nowhere fast. Even less than nowhere. But here is a secret! You can throw a monkey wrench into the operations of your competitors simply by using unusual yet logical sales presentations for Sprinkler Leakage Insurance. These you can obtain from a selling treatise on the coverage published by the "Springfield Group".

More horrified than our sprinkler leakage prospect on the right, will be agents who see potential business go your way just because you see fit to take advantage of selling ideas furnished you by one of the most progressive insurance organizations in the world today.

THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

#### SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849

Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

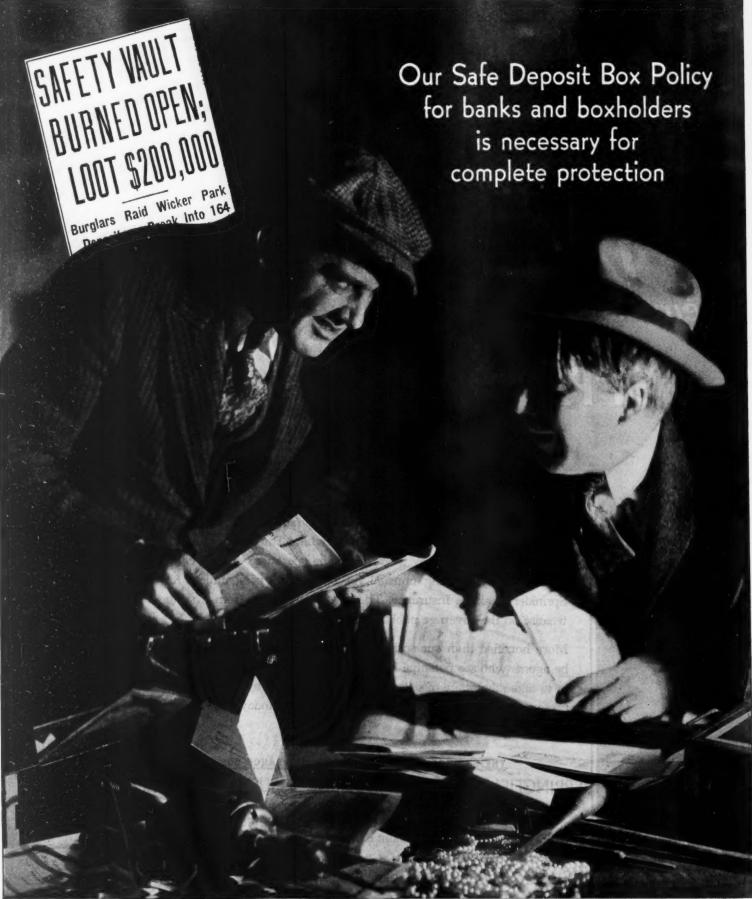
Harding & Lininger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Findlay, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts
SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts
MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan
NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



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The AMERICA FORE GROUP Insurance Companies

THE CONTINENTAL INSURANCE COMPANY AMERICAN EAGLE FIRE INSURANCE COMPANY

Eighty Maiden Lane.

FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE FIRST AMERICAN FIRE INSURANCE COMPANY
ERNEST STURM, Chairman of the Boards
PAUL L. HAID. President.

THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM. Chairman of the Board/
WADE FETZER, Vice Chairman.
PAUL L. HAID, President:

ATLANTA

DALLAS

MONTREAL

NEW YORK

CHICAGO

SAN FRANCISCO

New York, N.Y.

# The National Underwriter

Thirty-Fifth Year No. 49

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 3, 1931

\$4.00 Per Year, 20 Cents a Copy

# **Coast Men Taking Up Farm Question**

Farm Committee Pacific Board Meeting with California Agents

DEBATE RATE INCREASES

Agents Object to Three-fourths Value Clause Proposal-Higher Tariff May Come

On the theory that classifications which have shown a consistently good record are entitled to a reduction in rate while others, showing a persistent high loss ratio should stand an increase, the farm committee of the Board of Fire Underwriters of the Pacific is conferring with representatives of the California Association of Insurance Agents in an effort to bring about the increase in the most amicable and harmonious manner possible.

The farm fire losses of the Pacific coast have produced a ratio of a fraction below 85 percent while in California the ratio is approximately 60 percent. The committee is working on the

problem on an institutional basis.

Agents, while showing a desire to co-Agents, while showing a desire to co-operate, object to the proposals made following the recent semi-annual meet-ing of the Pacific Board. One of these proposals is the use of the three-fourths value clause. The companies' position is that the recent shrinkage in values has produced, particularly in some lo-calities, over-insurance, a condition which might become generally prevalent throughout the Pacific coast territory, thereby creating a more dangerous moral hazard. It is claimed that this is becoming more serious as existing conditions persist.

#### Citrus Belt Is Best

In California it appears that the worst conditions are in the San Joaquin Valley with the Santa Clara Valley and the so-called citrus belt of Southern California showing the best experience. In formia showing the best experience. In the citrus belt, where the orange groves prevail, it has been found that a large part of the business has been written as "suburban" property and not under the farm schedule. Agents in that section point out that a majority of the buildings are above the ordinary in construction and are under protection, either private or rural. This same problem was brought before the committee. lem was brought before the committee the last time the farm rates on the coast were increased and agents who pro-tested the use of the signed application and objected to placing these risks un-der the same category as farm build-ings of poorer construction, then an-nounced they would write the business

#### Chicago Endorsements Not to Be Enforced Until Jan. 1

Chicago Producers to Hear Suggestions Dec. 14-Deadline of Dec. 1 Called Off

The two controversial automobile in surance endorsements which were sched-uled to become effective Dec. 1 for Na-tional Automobile Underwriters Asso-ciation companies in the Chicago terri-tory will not be enforced until Jan. 1, the association advises members.

One of the endorsements would limit

recovery to 75 percent when the insured car does not have regular garage facilities. The other endorsement eliminates accessory coverage but provides that this protection may be bought back for

A special meeting of the entire mem-bership of the Chicago Insurance Agents Association has been called for Dec. 14, at which time a number of sug-gestions will be presented by the com-mittee interested in these endorsements.

#### May Be a Concession

Although deferring the effective date of endorsement is not admitted to be a concession to the agents, it is so interpreted by some officials. The Chicago Insurance Agents Association launched a vigorous protest against the endorsement. The agents objected, for one thing to making these innovations at ment. The agents objected, for one thing, to making these innovations at this time, feeling that all changes should be made at the time the rate manual comes out. They say they are embarrassed before their customers when rates and rules are frequently changed.

The company men take the position that the endorsements are an emergency measure, the less ratio of many company company

measure, the loss ratio of many com-panies in the Chicago territory being well above 100 percent. The company men feel that they cannot afford to wait three or four months until the new manis out before instituting the reform.

In a bulletin to members, the National Automobile Underwriters Association states that the effective date is deferred Jan. 1 because most agents have dy written up their December business without including the endorsement. Accordingly, December business will not Accordingly, December business will not be scrutinized for non-inclusion of these endorsements but as of Jan. 1 the rider will be strictly enforced. That means that it is optional for a company to use the endorsement until that time, but it is assumed that companies individually would not require the endorse-

of the usual outside structure. In the present discussion these same claims are being advanced and it is very likely that these two, and probably one or two other districts, will be considered as "excepted territory" for the three-fourther value clause or the increase in rates or value clause or the increase in rates, or

Agents throughout the territory feel that the low loss districts should be granted consideration and at the meetin this manner.

In the Santa Clara Valley, much the same conditions prevail. The hazards incident to the average farm, agents here declare, are less than in the case of the partial sections and from individual agentics.

#### W. N. Achenbach Is Elected Head of Hail Association

AGENTS CALL MASS MEETING CAMPBELL IS VICE-PRESIDENT

Iowa Corn Clause Substituted for Present Clause - 10 Percent Deductible Optional

W. N. Achenbach, western manager of the Aetna, was elected president of the Western Hail & Adjustment Asso-ciation at the annual meeting Monday. He succeeds E. A. Henne, vice-president and western manager of the America Fore companies Fore companies.

Fore companies.

John A. Campbell, vice-president of the Home of New York, is the new vice-president of the hail association, succeeding President John H. Griffin of the Northwestern Fire & Marine. W. H. Lininger, western co-manager of the Springfield F. & M., was reelected sectors.

retary.
At a previous meeting of the advisory committee, J. B. Cullison, Jr., man-ager of the Rain & Hail Insurance Bureau, was reelected chairman.

#### Few Rate, Form Changes

Very few changes in rates and forms were made at the annual meeting. By use of an endorsement the Iowa corn clause is substituted for the clause now in use in the general form application. The Iowa corn clause, which is already in use in Iowa, Illinois, Indiana and Wisconsin, provides the company is liable only for loss or damage to the grain products of the corn crop. If the grain products of the corn crop. If the corn stalks and/or leaves are damaged, the company is liable only for the loss or damage as the grain is affected

Under the now obsolete clause, insur-ance on corn did not take effect until at least 75 percent of the plants formed a second joint above the ground and the second joint was clearly visible from the second joint was clearly visible from an outside inspection when the outer sheath was removed and the company was liable only for loss or damage to the grain product. If corn stalks and/or leaves are damaged or destroyed, the company was liable only to the extent that such loss or damage affected the grain product. In computing any claim for loss on corn after the grain had reached the dough stage, no allowance was made for or because of damage to leaves.

#### Texas Counties Higher

The rate in the counties of Texas, Beaver and Cimmaron in Oklahoma for

1932 will be on a 12 percent basic scale.
Use of the 10 percent deductible hail loss clause and the 25 percent loss clause—minimum for season—will be optional and if used a 20 percent reduction in rate is granted.

Total heil lighlitic for 1021 was only

Total hail liability for 1931 was only \$48,488,000 as against \$97,065,000 in 1930; \$115,892,000 in 1929. The loss cost for the year was the lowest on record. It was 1.5 percent on the liability, as against 2.7 percent in 1930; 2.6 percent in 1929 and 6.2 percent in 1929. in 1929 and 6.2 percent in 1928.

claimed, produced profitable business for some companies.

About three years ago the Pacific (CONTINUED ON PAGE 34)

# Studying the New **Ohio Taxing Law**

Five Mill Levy Will Go Into Effect With Filing of Statements

#### FOREIGN OFFICES EXEMPT

Act Applies to Mutuals and Fraternals -Some of the Features of the Measure

COLUMBUS. O., Dec. 2.-When the domestic insurance companies in Ohio file their annual statements with the insurance department as of Dec. 31, 1931, they will also be setting up the basis upon which the new Ohio five-mill tax will be assessed. All insurance companies, regardless of the nature or character of their business, will pay a fivemill tax on capital and surplus and if the company is a fraternal or mutual, not operated with a capital stock, the five-mill tax will be paid on surplus. Heretofore, mutuals and fraternals have been called upon to pay on deposits in the bank on listing day but have not paid taxes to the state on any other as-sets except real property. Under the new Ohio tax law the companies will pay on real estate but except for the five-mill tax will pay no other property tax. Furniture and office equipment, for instance, will not be returned for taxa-

#### How the Machinery Works

The insurance department of Ohio on The insurance department of Ohio on or before the first Monday of May in each year is to certify to the tax commission of Ohio the amount of capital and surplus of each domestic insurance company or the surplus only if the company has no capital stock. Then the tax commission of Ohio in turn certifies to each county auditor where a company may be located, the assessment of the capital and/or surplus as the case may be, the county auditor then placing these assessments against the local companies on the tax duplicate.

While it is expected that some prob-

lems may arise in the operation of this law which are not now foreseen, as usually occurs, yet it is believed that the law will operate smoothly and with little difficulty. The tax rate is very low.

#### Not Setting Up Excess Reserves

Particularly at this time, companies are not likely to set up excess reserves since most of them will be placing into surplus whatever is at all available for this purpose. It is possible that where a large proportion of the surplus of an a large proportion of the surplus of an insurance company is invested in United States obligations, the company might seek to have these securities exempt from the tax law. In Missouri, a case went to the United States Supreme Court involving the tax laws there and the court held that the liabilities were to be subtracted from those assets not (CONTINUED ON PAGE 34)

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#### M'Connell, General Manager Royal-L. & L. & G., Resigns

TWO SUCCESSORS ARE NAMED

F. J. Williams, J. Dyer Simpson to Take Charge at Head Office in Liverpool

Robert M'Connell, general manager Robert M'Connell, general manager for the Royal and Liverpool & London & Globe at the home office in Liverpool, is resigning. Mr. M'Connell has been general manager since 1929.

F. J. Williams and J. Dyer Simpson, assistant general managers, have been appointed general managers to succeed Mr. M'Connell. The change will take effect Lan 1.

effect Jan. 1. Mr. M'Connell gained his early perience with the Caledonian and the West of England. He joined the Sun in 1885 and the Royal in 1896. He was located at Liverpool until 1900 when he became manager of the Royal's Manchester branch. In 1907 he was made assistant secretary at the London office and was made secretary the following year. He retained that position until he was appointed general manager in

Active in Organizations

Mr. M'Connell has been active in the Mr. M Connell has been active in the affairs of organized insurance. He served for a term as president of the Chartered Insurance Institute. During the war he rendered valuable service and in 1925 he sat on many occasions on the departmental committee in connection with the assurance companies' act. He was at one time chairman of the London Salvage Corps and has been honorary treasurer of the Accident Offi-cers' Association. He has been presi-dent of the London Insurance Institute and was a member of the Royal com-mission appointed to study fire brigades, fire prevention and fire waste. He has been president of the Insurance Officials Society and a member of the Insurance Unemployment Board. He has been president of the London Insurance Offices' Football Association and is a vicepresident of the Insurance Golfing Society of London and the Insurance Orchestral Society of London.

#### Had Experience Abroad

Mr. Williams joined the Royal at its head office in 1897. In 1906 he was attached to the Buenos Aires branch first as resident inspector and then as local manager. In 1920 he was appointed foreign agency inspector and in 1923 became an assistant secretary at the head office. He was appointed submanager in 1928 and in 1929 was made assistant

in 1928 and in 1929 was made assistant general manager for both the Royal and the L. & L. & G.

Mr. Simpson joined the Liverpool & London & Globe in 1904. After experience in Glasgow, Edinburgh, Dublin, Belfast and at the head office, he became in 1915 deputy assistant manager at Montreal. From thence he went to Toronto in 1921 as local manager and to New York as assistant manager in to New York as assistant manager in 1922, where he was also secretary of the Federal Union and assistant secretary of the Star. He returned to the head office in 1925 as assistant secretary of the L. & L. & G. and in 1926 became assistant manager. He was assistant manager. became assistant manager. He was ap-pointed London manager in 1928 and the following year was made assistant general manager of the Royal and of the L. & L. & G.

#### Idaho Bars Intermountain Lloyds

The Idaho supreme court has ruled that Intermountain Lloyds of Salt Lake City can not operate in Idaho because its setup does not fulfill the require-ments for such companies in that state. The court reversed a decision of the The court reversed a decision of the district court, which directed state insurance officials to issue the company a permit. It has been operating in Utah for the past three years

#### Aetna Manager Heads the Hail Association



W. N. Achenbach, who was elected president of the Western Hail & Ad-justment Association at the annual meeting Monday, is western manager for the Aetna.

#### Kansas Pond Is to Honor J. M. Harris on Leave Taking

WICHITA, KAN., Dec. 2.—The Kansas Blue Goose will honor Past Most Loyal Gander James M. Harris, special agent for the North America in Kansas for many years with head-quarters at Wichita, who has resigned quarters at Wichita, who has resigned as of Dec. 15, to become manager of the Upsher & Upsher general agency at Oklahoma City, with a stag dinner in Wichita Dec. 8. Member of the Central Kansas Field Men's Club and a number of North America agents of Wichita also will attend. Arrangements are in charge of Carl Bailey, Crum & Forster; N. Dekker, America Fore; S. F. Woolard, American Central, and E. B. Fergus, Kansas Inspection Bureau.

#### Consolidate Coast Offices

SAN FRANCISCO, Dec. 2.—Consolidation of the Pacific Coast offices of the Century Indemnity and Aetna Fire was announced in San Francisco Tuesday, together with the resignation of

#### Getting Western General Agents in Line by Dec. 31

W. U. A. DEADLINE IS NEAR

Many Conferences Held Preparatory to Divorce of General and Local Offices

Inasmuch as the general agency rules of the Western Underwriters Associa-tion become effective throughout the entire territory Dec. 31, there is much last minute activity in preparation for con-forming to the regulations. On that date local and general agency operations On that must be divorced and single ownership

of an office engaging in the local and general agency business is prohibited.

There have been many conferences among company representatives, meetings being called every few days to discuss the situation in a particular state. cuss the situation in a particular state.

Some of the general agents propose to conform by dividing their offices into two distinct elements and the question always arises as to whether this would constitute actual or merely nominal divorce. These problems are being therebad out. vorce. These thrashed out.

Some of the general agents have been Some of the general agents have been in Chicago, interviewing their companies and endeavoring to make the change as painless as possible. For many of the general agencies, which have been operating on a dual basis for many years, conformity to the rules will undoubtedly mean hardship. Deliberations are down to a case basis. Each office is taken up, analyzed, defended or criticized. Much conference work remains.

The governing committee of the

The governing committee of the Western Underwriters Association had a long session Tuesday, much of the time being taken up with a discussion of the general agency problem.

Rollo E. Fay, who has been manager of the Century Indemnity and established this company on the Pacific Coast. Harold F. Mills, manager of the fire companies, assumes supervision over the consolidated offices. Fred J. Crisp, assistant manager Century Indemnity, remains in that capacity. Mr. Mills has been manager of the Aetna Fire since early last year following the death of been manager of the Aetha Fire since early last year following the death of Frederic H. Rhoads. He has been with the company since 1912, entering its service as special agent in the mountain

H. D. "Dad" Baker of the Citizens Insurance agency of Wichita, is attending President Hoover's conference on home building and home ownership in Washington this week at the invitation of President Hoover.

#### Opinion on Rider Voiding Policy for Non-Payment

C. R. STREET MAKES REPORT

Validity of Endorsement Depends on Whether Standard Policy Is Provided by Statute

C. R. Street, vice-president and west-ern manager of the Great American, is transmitting to the Tennessee Associa-tion of Insurance Agents a legal opinion, which he requested, as to the va-lidity of an endorsement voiding the policy if the premium is not paid within policy if the premium is not paid within a certain time. The question was raised at the annual meeting of the Tennessee association at Knoxville recently and Mr. Street volunteered to get an opin ion from R. J. Folonie of Hicks & Folonie of Chicago.

Mr. Street's communication to the

Mr. Street's communication to the

Mr. Street's communication to the Tennessee people follows:
"You will remember that at Knoxville I promised to get a legal opinion as to the validity of an endorsement on a policy making it void if the premium was not paid within a certain time, and that opinion is now at hand.
"Our atterneys say that in their opin."

"Our attorneys say that in their opinion such a clause would not be valid in any state where a standard policy is provided by statute and upon which only certain specified endorsements may be made as provided by that statute.

"They say that such a clause could be placed upon a policy in any state where no statutory form is provided, Tennessee being one of them, but that in their opinion if such a clause is at-tached to a policy, the assured should be notified not only at the time of issue but at the time the policy becomes void.
As a matter of course, notice of the voidance of the policy would also need to be given the mortgagee, if any.

"Such a clause in their opinion would be valid in any case where a provision for suspension in a farm policy would be valid in the absence of any special any special it. In Wisstatutory provision against it. In Wis-consin and Minnesota, for instance, both of which states have standard policies, however, there is a special statute which says that a note taken for a premium is payment and that the policy may not be declared forfeited for non-payment

of note.

"In Iowa, where farm business is common and such a provision as the one we have in mind is specifically authorized by statute, the statute further provides that the assured will be notified in writing that the policy has befied in writing that the policy has be-come void after the non-payment of note.

The whole thing appears to turn entirely on the question of whether there is a standard policy provided by statute in the individual state under consideration and whether such statutory policy contains provisions which would limit the kind of endorsements that may properly be placed thereon."

## CONDENSED NEWS OF WEEK

Farm committee of the Pacific Board and representatives of the California Association of Insurance Agents are discussing methods of bringing about improvement in farm writing on the Pacific Coast. Rate increases are suggested in some sections.

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New Ohio tax law attracting much attention. Page 3

Important changes in Blue Goose life nsurance plans to become effective Jan. are announced by C. P. Helliwell. Page 6

Effective date of controversial automobile insurance endorsement is deferred from Dec. 1 to Jan. 1. Page 3

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W. N. Achenbach, western manager of
the Aetna, elected president of the Western Hall & Adjustment Association, succeeding E. A. Henne. Page 3

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Robert McConnell resigns as general
manager for the Royal and Liverpool &
London & Globe at the head office in

Liverpool, being succeeded by F. J. Williams and J. Dyer Simpson.

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Western Underwriters Association pushes separation of local and general agencies with Dec. 31 as deadline. Page 4

H. J. Parker resigns as assistant secretary of Automobile of Hartford. Page 5

Receiver appointed for Republic Auto-

U. S. Shipping Board reports results in merchant marine insurance fund.

Page 6

The Allstate of Chicago, which is controlled by Sears, Roebuck & Co., is now advertising that it operates nation-wide.

Rate increase of 50 percent and restrictions expected from non-can A. & H. companies as answer to disability action of life companies.

\* \* \* \*

Meetings in New York this week to sees casualty and surety acquisition st. Page 29

American Bankers Association reports rate raises justified.

#### James C. Johnston Dies

James C. Johnston, retired Pacific Coast manager of the North America, died at his home in Berkeley, Cal., Tuesday morning at the age of 79. Col-onel Johnston was well known among onel Johnston was well known among veterans of fire business throughout middle west and east, where he served for many years before going to San Francisco in 1906 to aid in the adjustment of his company's conflagration losses. He retired from the insurance business, to which he devoted his entire life, early in 1918, after consolidating his office with that of the Yorkshire, managed by McClure Kelly, who suc-ceeded him as manager for the North

#### Field Club Annual Meet

The annual meeting of the Cook County Field Club will be held the evening of Dec. 8 at the Germania club.

#### Parker Resigns as Official of Automobile of Hartford

GOES WITH CARPENTER & CO.

Will Devote Entire Time to Reinsurance Field, in Which He Is Recognized Authority

HARTFORD, Dec. 2 .- As of Jan. 1, H. J. Parker, assistant secretary of the Automobile and Standard of Hartford, leave these companies to become affiliated in an executive capacity with Guy Carpenter & Co., well known re-insurance firm in New York City. Mr. Parker is recognized as an authority on

reinsurance and is especially qualified for his new work.

Vice-president Alfred Stinson states that the resignation of Mr. Parker is a cause of keen regret to the company. He joined the Aetna Life and affiliated companies in 1915 in the claim department of the automobile division. A few years later he was made superintendent of the fire loss department. In 1922 he was elected assistant secretary of the Automobile and later also became assistant secretary of the Standard Fire. In 1927 he took over general supervision of the northwestern and Pacific Coast terri-tory, the mountain states territory and also Texas and New Mexico, in addi-tion to supervising the various reinsurance treaties of the Aetna Life and af-filiated companies, as well as other executive duties.

#### Barry Dinner Is the Big Social Event Next Week

The big social event of insurance week in New York City next week will week in New York City next week will be the complimentary dinner to Third Vice-president James Victor Barry of the Metropolitan Life, who will retire from active business the first of the year. Mr. Barry is regarded as an institution in himself. He is known as well in fire and casualty circles as he is in life interpreted.

in life insurance.
Alfred Hurrell, vice-president of the Alfred Hurrell, vice-president of the Prudential, will preside at the dinner at the Waldorf-Astoria next Wednesday evening. Henry F. Tyrell, legislative counsel of the Northwestern Mutual Life, is chairman of the general committee. The speakers representing various departments of the business will be President F. H. Ecker, Metropolitan Life; Commissioner Livingston of Michigan: C. F. Shallcross, United States gan; C. F. Shallcross, United States manager North British & Mercantile; Frederick Richardson, United States manager General Accident; President E. M. Allen of the National Surety, and Col. Joseph Button of Richmond, Va. Homer Guck, president of the Chi-

Homer Guck, president of the Chicago "Herald & Examiner," a former Michigan newspaper man who is on the program, can not be present as William Randolph Hearst, head of his organiza-tion, has called a conference for that week. It is estimated that there will be more than 600 at the dinner.

#### **Taxation Manual Out**

The 1931-1932 edition of the taxation manual, as prepared by J. H. Doyle, general counsel for the National Board, has been sent to the companies. In-stead of being in loose leaf form, the manual is a bound pamphlet and it will be issued in this form annually here-after. A calendar is included, snowing what taxes and dues are payable by fire companies by each state. Then the provisions of the laws relating to taxa-tion of fire companies are given. They were corrected by the individual com-

#### Brokers' Office Moved

The office of the Insurance Brokers Association of New York is being moved from 100 William street to the 29th floor of 90 John street.

# Readjustments Made to Fit Present Conditions

NEW YORK, Dec. 2.—A sentiment receive expressed in fire underwriting circles for years is that there are too many companies and too many agents is that the organizations whose representations. in the business, and that the number of each should be reduced, permitting thereby greater opportunity for cooperation among the companies and affording the worth-while local men a chance to derive a reasonable revenue for their activities. While the truth of the declaration was never challenged, and it will ever remain true that "there is always room at the top," the inexora-ble law of supply and demand can be counted upon sooner or later to winnow out the least worthy in any line of endeavor, and the elimination proces now working in the fire insurance field.

#### More Mergers Predicted

Companies which by reason of their comparatively limited financial resources or for other cause have been unable to keep up with the procession have been compelled or found it advisable to effect mergers, and if current reports prove reliable many similar moves may be reliable many similar moves may be looked for before 1931 passes into his-tory. It seems equally certain that some additional institutions, whose faith in the early recovery of the security market is dwindling, will seek to unload a portion of their liability, releasing re-serves thereby and enabling them to continue in business for a time at least.

#### Agents Drop Weak Carriers

With the great shrinkage in insurance values and the steady downward course of rates, agents have been overhauling their company connections the past 12 months, resigning those they hold of secondary value to them and holding fast to the institutions in whose financial extension that have been confidence and cial strength they have confidence and whose underwriting policies do not change like a weather vane.

It is not a question as to the size of a company, some of the smaller type

sentation they retain have ample re-serves in every department as well as the desire to carry out every contract obligation.

#### Reflects on Whole Business

The wisdom of allowing any company that cannot "make the grade" to go on the rocks instead of reinsuring its lia-bilities is questionable. While the rea-son for such failure may be perfectly apparent to men in the business, the average property-owner is without such knowledge and may be inclined to attribute it to fundamental weaknesses in the system, and hence cause his loss of faith in the institution of fire insurance. It is no extravagance to say that so far as underwriting administration is concerned the great majority of the companies are in stronger position today than they have been for years They have studied every phase of their operation to discover weaknesses either in personnel or method and have compelled corrections where such were dis-closed.

#### More Efficient Employes

Employes both in office and field, alive to the fact that they must make good or seek connections elsewhere, good or seek connections elsewhere, have been working with an energy and intelligence not previously shown, and to a considerable extent the same holds with respect to local agents. In these parlous times there is no place for the drifter or the inefficient. Those not already weeded out soon will be, and ready weeded out soon will be, and when this is done and the confidently when this is done and the confidently anticipated era of renewed prosperity makes its appearance, the fire compa-nies with reenergized staffs will be in position to take full advantage of the great opportunities then opened for them.

#### **Oral Notice Constitutes Proof, Supreme Court Holds**

Whether an insurer waived proof of loss clause, is the question involved in the case of American of Newark vs. General Motors Acceptance Corporation, which the U. S. Supreme Court has declined to review.

This was a suit brought by the

Acceptance Corporation to recover on a dealers open fire policy, covering a number of automobiles, issued to one Ackley and assigned to the General Motors Acceptance Corporation after the loss. Oral evidence was offered by the Acceptance Corporation to the ef-fect that after the loss, notice of loss given to the insurance company, this evidence was excluded by the trial court on the ground that oral testimony was not sufficient since it claimed that written notice was given. It appeared, however, that the insurance company denied that it had received notice of loss, and the insured could not locate the copies of the notice alleged to have been sent.

#### Lower Court's Theory

The circuit court of appeals for the 5th circuit held that the oral evidence was admissible under the circumstances, and that the provision in Section 724 R. S. did not provide an exclusive method whereby evidence in possession of the defendant could be introduced by the plaintiff, if the defendant denies the possession of such evidence. The Circuit Court of Appeals also held that the insurance company was estopped from denying notice of loss, because one of its adjusters had gone over the records

#### Use Inland Marine Form to Cover Football Programs

NEW YORK, Dec. 2.-A novel form of coverage was recently granted by the Continental of the America Fore fleet to the Harvard athletic association. Under an inland marine form the company agreed to indemnify the association against loss by fire or accident in transit to the 30,000 programs prepared for distribution at the Yale-Harvard foot-ball game Nov. 21.

The indemnity was secured by the association to protect its printing investment and in event of destruction of the programs by fire or other cause, to offset possible refunds to advertisers. Similar coverage was secured from the Continental upon programs of games previously held at the Harvard stadium, and also protected those distributed at the Dartmouth-Stanford game Nov. 28.

#### Schmitt Given Supervision

NEW YORK, Dec. 2.—Following the recent death of E. H. Sherley, Tennessee state agent of the Home. Franklin, City of New York and the Carolina, all of the Home fleet, J. C. Schmitt, formerly associate state agent, has been given individual supervision of the teritory. He will continue to maintain ritory. He will continue to maintain headquarters at Nashville.

of the insured, and had obtained all information necessary to constitute the proof of loss. To the insurance comproof of loss. To the insurance cohrest pany's argument that the adjuster had no authority to waive proof, the court held that he did since he was authorized to investigate and adjust the loss.

#### Report Merchant Marine Fund Experience in 1931

SIGNIFICANT FIGURES GIVEN

Shipping Board Shows Earned Premiums Since 1929 Were \$3,200,000; Claims and Expenses \$3,000,000

WASHINGTON, Dec. 2.—More than \$8,000,000 was carried in the insurance fund of the Merchant Fleet Corporation at the close of the fiscal year June 30, the annual report of the United June 30, the annual report of the United States Shipping Board shows. The fleet corporation maintains a marine insurance fund, in which it insures privately owned vessels in which the board has an equitable interest and vessels to which the board holds title. When the fund was established in 1929, \$3,500,000 of sales receipts were deposited therein and Jan. 1, 1930, the fund was increased by deposit of \$5,245,196, this amount being the baalnee of the marine insurance rethe baalnce of the marine insurance reserves formerly used for settlement of claims arising from the operation of Shipping Board vessels.

#### Has Large Cash Balance

These deposits have been supplemented by premiums colected from policyholders, and disbursements have been made in settlement of claims and for administrative expenses, so that at the close of the fiscal year the marine insurance fund had an unexpended cash balance of about \$8,600,000, of which \$3,800,000 applied to privately owned vessels and \$4,800,000 to Shipping Board tonnage.

On privately owned vessels, including those sold by the board and those on which construction loans have been made, marine insurance in the fund in force June 30, totaled \$60,724,307 on 216 vessels. From the time the first policy of this kind attached in August, 1929, earned premiums were \$3,200,000, and claims and administrative expenses \$3,-000,000. Unsettled claims for \$1,650,000 were pending June 30, but this amount, will be reduced through recoveries from third parties.

#### Two Types Covered

Shipping Board vessels covered in the Shipping Board vessels covered in the marine insurance fund comprise two general classes—first, vessels operated under the 1930 agreement with insurance premiums payable by managing operators, and, second, all other operating vessels including those under the 1924 and profit-sharing agreements, vessels covered by bare-boat charters and in spot status, and tugs operated in constitution. in spot status, and tugs operated in connection with reserve fleet activities, for all of which insurance premiums are

all of which insurance premiums are charged to the operating activities of the Merchant Fleet Corporation.

Marine policies were in effect for 107 vessels operated under the 1930 agreement, total coverage being \$41,361,640. The first coverage for vessels under the 1930 or similar form of agreement which immediately preceded it attached in September, 1929, from which date to June 30, earned premiums on vessels under lump-sum agreements totaled under lump-sum agreements totaled \$634,000, and claims \$285,000. About 430,000 unsettled claims were pending for this class of tonnage.

#### Experience on Others

all other Shipping Board vessels 56 policies, with a total coverage of \$14,-540,590, were in effect June 30. Coverage of such vessels in the fund commenced Jan. 1, 1930, and during the succeeding 18 months earned premiums totaled \$1,400,000 and claims and administrative expenses \$512,000, with \$928,000 unsettled claims.

The report comments that premiums during the early life of the fund were too low, so rates subsequently have been adjusted in each case to be more consistent with loss experience.

Policies totaling \$528,000,000, covering hull, disbursements, and protection and indemnity risks, submitted by pur-

(CONTINUED ON PAGE 14)

#### Important Changes in Blue Goose Life Insurance Plan

TO REQUIRE MEDICAL TEST

Secondary Insurance Will Be Eliminated - Those Now Insured Will Not Be Affected

Insurance Secretary C. P. Helliwell of the Blue Goose advises members of important changes to become effective Jan. 1 in connection with the life insurance connection with the life insurance. ance program of the order carried with the Lincoln National Life. The changes the Lincoln National Life. The changes were decided upon at a meeting of the insurance committee of the Blue Goose and S. C. Kattell of the actuarial department of the Lincoln National.

Blue Goose members, who are not now insured, will not be able to secure primary life insurance without examination after the first of the year.

#### New Members' Insurance

New members may secure primary life insurance without examination if application is made within 90 days from the date of their admission to the order. Secondary insurance is to be discon-

tinued after Dec. 31, but those who now have this additional coverage will be permitted to retain it.

In view of these changes, Mr. Helliwell urges members to become insured before the first of the year. A strenuous effort will be made to increase the percentage of insured members to 75 before the close of the year.

#### McKian Boosts Education

P. J. V. McKian, as chairman of the Blue Goose grand nest educational committee, is attempting to interest the var-ious ponds in holding regular Monday ious ponds in holding regular Monday luncheons to be addressed by instruc-tive speakers. This has been a custom in many ponds for several years, but Mr. McKian is eager that others should take it up. He is consulting with lead-ers of the Illinois Blue Goose and an-ticipates that the weekly luncheons will be started soon after the first of the

#### Bleckley's Father Dies

WICHITA, KAN., Dec. 2.—Col. E. E. Bleckley, father of C. E. Bleckley, most loyal gander of the Kansas pond Blue Goose, died suddenly at his home in Wichita Nov. 29. Funeral services were attended by a large number of ganders of the Kansas pond.

#### Full Receivership Granted for Republic Automobile

REINSURANCE PLANS DROPPED

No Possibility of Rehabilitating Carrier -Agents Protect Policyholders With 30-Day Binders

LANSING, MICH., Dec. 2.—Judge Leland W. Carr of the Ingham cir-cuit court has issued an order converting the trusteeship which placed Com-missioner Livingston in charge of af-fairs of the Republic Automobile last week, into a full receivership. The commissioner formally applied for the altered status and there was no opposition from any source. George G. MaDan, insurance department special examiner, who discovered \$309,000 net deficit in who discovered \$309,000 net dehcit in the company's finances, will continue in active charge of the liquidation procedure as special deputy commissioner. He told the court that the purposes of the custodianship have now been accomplished and that a receivership is indicated as the company is obviously no longer a going concern and there is no

chance for reinsurance or any other rehabilitating program. There are also some outstanding judgments, it was exsome outstanding judgments, it was ex-plained, which might be made the basis for possible preferential treatment through institution of garnishment pro-cedure. Under the circumstances the interests of all creditors and policy-holders will be best served by a re-

holders will be best served by a re-ceivership.

Mr. MaDan as special deputy com-missioner in active charge of the com-pany's affairs has taken possession of all files and records while the available assets have been impounded by court order. The way has been cleared, it is indicated, for complete liquidation which will be started soon. will be started soon.

#### Arrange for Binders

Agents of the company have been hurriedly salvaging as much as possible from the wreckage of the former reciprocal, whose stock company life lasted only five years. Meetings were held immediately after the trusteeship was applied for by Commissioner Liveston and arrangements were much been supported by the company of th was applied for by Commissioner Livingston and arrangements were made by the representatives in several of the leading cities for three companies to protect their policyholders on binders for 30 days pending rewriting of the business in the new carriers. All reinsurance plans, which had been announced by company executives as pending, were dropped immediately and department officials advised policyholders uncertain of their status to cancel their policies immediately and take out new coverage.

The companies which entered into the agreement with Republic agents to carry their business on binders in the hope of writing it permanently are the Sentinel Fire, Standard Accident and General Accident. The arrangement, it is understood, affects Lansing, Grand Rapids, Saginaw, Jackson, Battle Creek and Ann Arbor and Ann Arbor.

and Ann Arbor.

The hearing in circuit court here on the order to show cause proved a mere formality. The company was represented by P. G. Keller, secretary-treasurer, but no opposition to the department's move was forthcoming. The inevitable result of the examination's disclosure of a delicit was accepted by the officers who have since cooperated with officers, who have since cooperated with the department in preparing to close up the company's affairs.

#### Sam Morrison Comments on Trend Toward More Demands

Sam T. Morrison of Iowa City, Ia., former president Iowa Association of Insurance Agents, militant local agent, writes The National Underwriter stating that companies should give every writes The National Underwriter stating that companies should give every encouragement to agents these days in the line of producing a good quality of business. If companies are bearing down too heavily in their underwriting and creating impossible conditions, local agents will be placed in the strait jackets more than ever. In connection with collections Mr. Morrison says that his office alone has approximately \$60,000 tied up because of three recent bank failures. An interesting question, he says, at once arises as to what a company is going to do as it starts its most strenuous drive for collections, when an office like his is considered with a 50-year prompt paying record and yet is confronted with conditions today that never before occurred. If companies have a difficult collection problem he said that the agents have a more desperate one. Money is actually scarce and every case has to be studied individually. Mr. Morrison, however, commends President Bland of the United States Fidelity & Guaranty when he advises agents, "Go out and get the business." This is no time, he said, to listen to idle stories. He suggests that this is good logic and should be adopted by more presidents and company cashiers.

**INCORPORATED 1799** 

# Providence Washington Insurance Company

of Providence, R. I.

Capital \$3,000,000

Surplus to Policyholders, \$11,159,491

**INCORPORATED 1928** 

# Anchor Insurance Company

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Surplus to Policyholders \$1,563,657

Each of these Companies writes the following classes of Insurance FIRE-TORNADO-OCEAN and INLAND MARINE AND THEIR ALLIED LINES AUTOMOBILE-FIRE, THEFT and COLLISION

#### COMBINED POLICIES

GOLFERS' EQUIPMENT and LIABILITY AUTOMOBILE-FULL COVERAGE

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

# VIRGINIA FIRE AND MARINE INSURANCE COMPANY

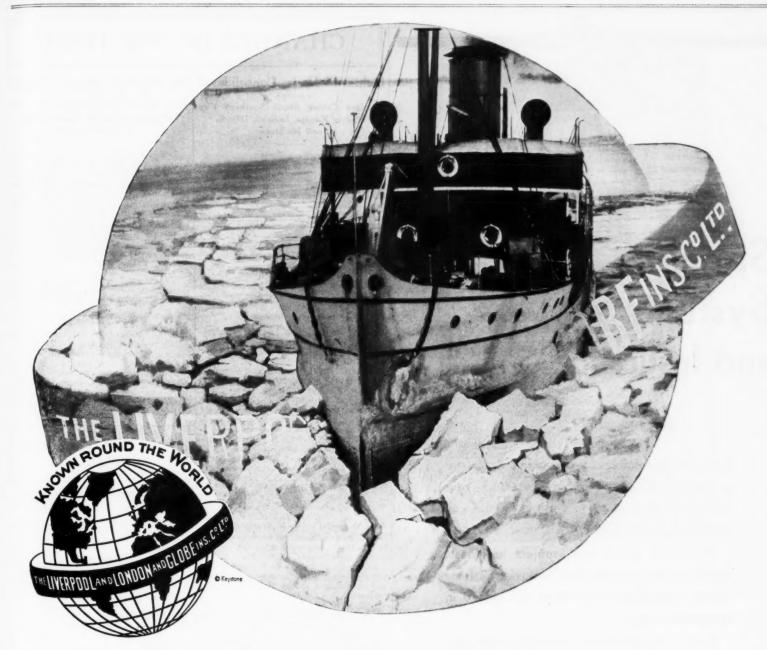
Richmond, Va.

Capital \$500,000

FIRE SPRINKLER LEAKAGE

Surplus to Policyholders \$1,671,770 **TORNADO** AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager



# breaking the ice!

in undeveloped fields of insurance; fields that require special knowledge and the active cooperation of experts.

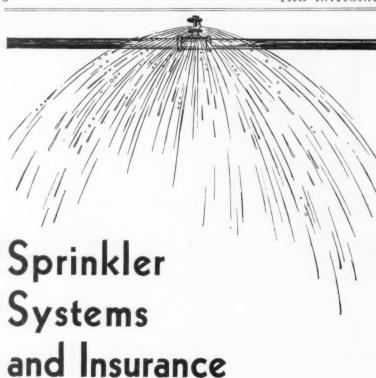
Through its special service departments and highly trained field men the L. & L. & G. has repeatedly proven its ability to bring real premium-producing results to its agents.

The fields of Use and Occupancy, Profits, Rent, Rental

The fields of Use and Occupancy, Profits, Rent, Rental Value and Explosion insurance are largely untouched. Let the L. & L. & G. break the ice for you.

150 WILLIAM STREET . NEW YORK





YOU have advocated Automatic Sprinkler Systems and Watchman's Patrol for years. But all this work in protecting your clients may be undone in a single night if you don't add A. D. T. Electrical Supervision.

Watchmen are human, subject to illness, attack or even forgetfulness. Sprinkler Systems freeze, pumps fail and valves are closed in mysterious ways.

A. D. T. by electrical connection to your client's plant can keep these main protective agencies thoroughly operative every minute of the day and night.

You can offer your clients a better policy and better protection with A. D. T. services. Why not look into this question now? Information on request.



CONTROLLED COMPANIES OF NEW YORK

# CHANGES IN THE FIELD

#### Home Field Is Consolidated To Manage General Agency

Changes Center About Southern Fire Men in Kansas, Indiana, Illinois, and Michigan

The Home of New York group is consolidating its field operations in Kansas, Indiana, Illinois and Michigan and a number of important changes are announced. The new assignments became effective Dec. 1 came effective Dec. 1.
R. L. DuBois, Kansas state agent for

the Southern Fire, is transferred to Indiana as state agent there for the Southern, New Brunswick and Harmonia. His address will be Chamber of Commerce building, Indianapolis.

Curtman Maupin of Topeka, who is now state agent for the Home, will also represent the Southern, taking over the duties of Mr. DuBois.

#### Minner in Illinois

R. E. Minner, who has been operating in Illinois and Indiana, hereafter will confine his activities to Illinois, where he will be state agent for the Southern, New Brunswick and Carolina. Southern, New Brunswick and Carolina. Mr. Minner's headquarters are in the Lincoln Theater building, Springfield. Subagency business will be reported through the office of State Agent Knight, Chicago, as heretofore. Cook county is not affected.

In Michigan, Glenn R. Edleman will relinquish his position as state agent for the Southern and become assistant manager of the new metropolitan de-

for the Southern and become assistant manager of the new metropolitan department at Detroit, with headquarters in the Penobscot building, for the Home, Franklin, City of New York, Southern, Carolina, Harmonia, Homestead, New Brunswick and Halifax. Agencies in Wayne, Macomb, Monroe, Oakland and Washtenaw counties will be under the supervision of the metropolitan department.

politan department.

Lewis C. Nichols, who is manager of the Home's Wayne county department, will be manager of the metropolitan department.

J. P. O'Brien, who represents several the companies in the Home fleet in Michigan, will take over the Southern. His headquarters are in the Grand Rap-Trust Company building, Grand

#### Clark Now Executive Special

#### Advancement for Western Special Agent Special Risks Department New York Underwriters

J. M. Clark, western special agent for the special risks department of the New York Underwriters at Chicago, has been appointed executive special agent in the west. Mr. Clark has been connected with the New York Underwriters for many years. He traveled in the Indiana field and then changed to Chicago several years ago as western special and then changed to Chicago several years ago as western special agent, succeeding R. L. Tanner. Mr. Clark is a son of I. D. Clark, former vice-president of the New Brunswick. The New York Underwriters has ad-vanced C. R. Watkins from special agent in Indians to state agent there

agent in Indiana to state agent there, succeeding the late F. W. Howard.

#### H. C. Craig, W. V. A. Keeler

The reinsurance of the People's Fire by the Fidelity & Guaranty Fire has by the Fidelity & Guaranty Fire has caused a readjustment of territory in the Fidelity & Guaranty territorial supervision. State Agent H. C. Craig, formerly in charge of New Jersey, has been transferred to Philadelphia, to which territory he will devote his entire time, and W. V. A. Keeler has taken charge of all of New Jersey for both the Fidelity & Guaranty Fire and the Peoples Underwriters department.

#### J. M. Harris, North America Man, Will Operate Upsher & Upsher Office in Oklahoma City

James M. Harris, for the past several years special agent for the North Amer-ica with headquarters at Wichita, has ica with headquarters at Wichita, has been appointed manager of the Upsher & Upsher de Upsher at Oklahoma City. Mr. Harris is one of the popular members of the Kansas field and is a past most loyal gander of the Kansas Blue Goose. In addition to his training with the North America, he previously was assistant to Col. Sam F. Woolard, Kansas state agent for the American Central. Central.

Mr. Harris' work will be divided among the three special agents remaining in Kansas for the North America.

#### C. C. Meyer, Jr.

C. C. Meyer, Jr., succeeds E. H. Bradt, resigned, as New York state special agent for the Century of Scotland. He traveled in New York and New Jersey for the State of Liverpool some years ago, and more recently in New York state for the Corroon & Reynolds group. He will maintain headquarters in Syracuse in Syracuse.

#### INSURANCE STOCK QUOTATIONS

By H. W. Cornelius of Morrison & Town-send, 208 South La Salle St., Chicago, as of Nov. 30 Div. per

	Div. per		
Stock Par	Share	Bid	Asked
Aetna Cas 10	1.60	38	42
Aetna Fire 10	2.00	34	36
Aetha Fire 10	1.00		
Aetna Life 10	1.20	24	26
American, N. J., 5		12	131/2
Amer. Surety 25		1.8	20
Automobile 10	1.00	18	22
Baltimore Amer. 5	80	7	8
Dartimore Amer. 5	10.00	205	350
Boston	1.00 .80 16.00	325 160	300
City of N. Y 100	16.00 2.00	100	180
Contl. Assurance 10	2.00		32
Continental Cas. 10	1.60	16 24 27	18
Continental 10		2.1	25
Fid Dhonix 10	2.60	27	28
FidPhenix 10	2.00	- 0	
Fire Assn 10 Fireman's Fund. 25	2.60 1.60 5.00	9	11
Fireman's Fund. 25	5.00	54	56 1/2
Fireman's F. Ind		16 1/2	11 56 1/2 17 1/2
Firemen's 10	1.20	11	
Franklin 5	1.60	1416	
Glens Falls 10	1.60	14½ 37	39
Glens Falls 10		000	99
Globe & Rutgers.100	20.00		280
Great Am. Fire 10	1.60	16	17
Great Am. Ind 10		11	13
Hanover 10	1.60	11	12
Harmonia 10		15	17
Hartford Fire 10	2.00	15 38	40
Hartiord Fire 10	2.00	33	25
Home F. & M	0.00		20
Home, N. Y 10	2.00	18	19
Homestead 10		10	12
Ins. Co. of N. A 10 Linc. Fire, N. Y. 10	•2.50	34	36
Linc. Fire. N. Y. 10		11	13
Lincoln Nat. Life 10			50
Mo. State Life 10		9 1/2	101/2
National Cas 10	1 20	3 9 72	14
National Cas 10	1.20 2.00	12 36	38
National Fire 10	2.00	36	38
National Liberty 5	.50	31/4	4 1/4
National Surety. 10	2.00	17	19
National Fire 10 National Liberty 5 National Surety. 10 National Union100	2.00	42	49
New Brunswick, 10 New Hampshire, 10	1.80	14 1/2	16
New Hampshire, 10	2.00	35	39
North River 10	2.00	9.0	0.9
North Myel 10	5.00	20	95
N. W. National. 25 Pacific Mut. Life		051/	381/4
Pacine Mut. Life	.50	30 %	3078
Peoples National 5	.50	88 35 14 2 14	31/4
Peoples National 5 Occidental 10			
		43 25 9	45
Prov. Wash 10	2.20	25	27
Popula 16	9.90	0	11
Coming Sold D & M 95	4.50	70	73
Springheid F.&M. 20	0.00	190	125
St. Paul F. & M. 25	6.00	120	120
Sun Life100	25.00	475	525
Travelers 100	*22.00	510	525
Prov. Wash. 10 Rossia . 10 Rossia . 25 St. Paul F. & M. 25 Sun Life. 100 Travelers . 10 U. S. Casualty . 11	.50	510 15 27	18
U. S. Fire 10	2.40	27	30
U. S. Fid. & Guar. 10		6	7
If & Mor & Sh 100	16.00	180	
U. S. Mer. & Sh. 100 Westchester 10	9.50	24	26
		24	20
*Extra dividend	paid.		

#### **Buys Australian Company**

The London Assurance has purchased the Federal Mutual of Australia with head offices in Sydney. The Federal Mutual writes all branches except life. The London has an Australian office but purchase of the Federal Mutual will increase its influence there.

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# FULL **PROTECTION** thru INSURANCE





CUBURBAN and metropolitan centers throughout the country are maintaining modern fire apparatus and equipment to safeguard life and property from ravages of fire. >> But -- should these protective measures fail and the property be damaged or destroyed - adequate insurance alone will properly re-imburse the property owner. » Agents and policyholders of "The Home of New York" -a strong stock company - who are properly insured against fire are provided with full protection in the event of a loss through resources sufficient to meet all obligations.

Cash Capital \$24,000,000.00

**Net Surplus** \$36,398,755.35 (Accumulated over 78 years)

Surplus to Policyholders \$60,398,755.35

Additional Funds \$38,936,368.00 (Pro Rata Unearned Premiums)

#### Reserved

for miscellaneous accounts, taxes, dividends, and other obligations \$12,754,865.55

#### Assets

Cash on hand, funds conservatively invested or current balances payable when due \$:12,089,988.90

THE HOME INSURANCE NEW YO

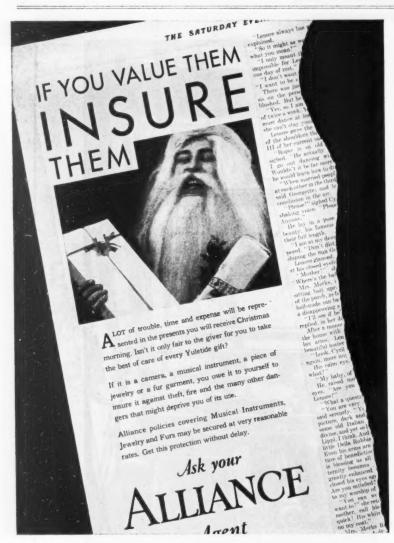
59 MAIDEN LANE

Service

Strength

Reputation

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Santa Claus helps The ALLIANCE Agent sell four profitable marine coverages.



# THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO 309 W. Jackson Blvd. SAN FRANCISCO

ATLANTA 8th Floor, Hurt Bldg.

#### Allstate Now Advertises Nation-wide Operations

SOLICITATION IS AGGRESSIVE

Sears Roebuck & Co. Automobile Insurance Carrier Gets Out New Selling Literature

The Allstate of Chicago, automobile insurance company under the wing of Sears, Roebuck & Co., seems to be getting progressively more aggressive in its direct by mail selling campaign. One of the latest form letters is signed by G. E. Humphrey, president of the Allstate, who is assistant to the president of Sears, Roebuck & Co.

The solicitation by mail is not confined to the states in which the Allstate is licensed. The executive of an Ohio life insurance company, who was solicited by mail, transmitted the letter to The National Underwriter with this comment: "Probably the importance of

comment: "Probably the importance of this may be exaggerated, but in its possibilities it might mean the gradual elimination of insurance agents of all sorts, if the field in which this company is operating is extended generally in the insurance business."

Operates Nation-wide

The Allstate soliciting document

"When Sears, Roebuck & Co. organized the Allstate Insurance Company the publicity at the time created an impression that Allstate intended to confine its operations to the customers of Sears, Roebuck & Co. in sural districts. Roebuck & Co. in rural districts. Such is not the case, as our operations are nation-wide and are not confined to any

particular locality.
"A prominent Chicago banker who recently insured his car with us informed us that he saved \$27.11 by buying an

us that he saved \$27.11 by buying an Allstate policy.
"You may save money also.
"You may secure strong stock company insurance protection.
"You may take advantage of a partial payment plan without additional charge. charge.

"You receive nation-wide claim serv-

home office operating expenses are low.

This saving is yours.
"Why not have your secretary fill in enclosed card and send it in to us so that you may receive our rates."

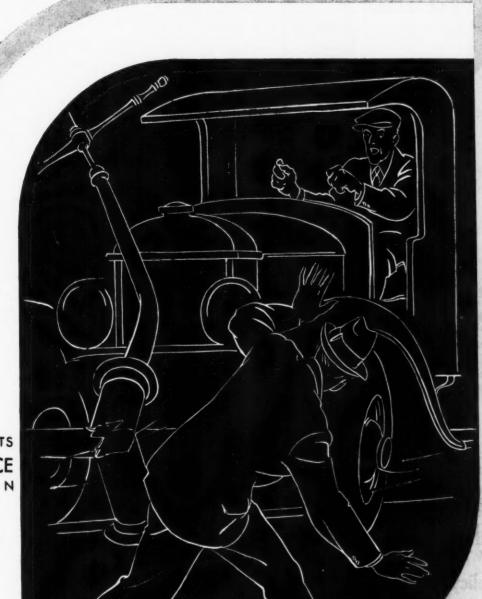
## New Proof of Loss Form Is Herein Suggested

Here is the frank statement of a young claimant just as it was sent in:
"I thought I would notify you so you "I thought I would notify you so you would not be uneasy. I had a little wreck the other day with the car, and it is at the Johnson Garage and he asked me if I was going to have it fixed, and I told him I did not have any money right now, and I did not know what minute it might be tuck away from me. If I had it fixed and if you all wait till I get me a job I have it fixed and finish paying for it, for I think the Hardwood Lumber Company is going to start up in a few days, for I hate to looze what I done paid into it. But as far as that goes I could get all my money back what I have paid into it, for I am under age. A lawer said it wouldn't cost me anything to git it back, but I wouldn't do that at all. If you want to let it set there in the garage till I get the payments caught up on it, I wont move it. I try to get me a job some the payments caught up on it, I wont move it. I try to get me a job some where. You can't make much here, about \$1.50 a day, and board so you can wright and tell me what you all is going to do. I told you all I could do."



# INSURANCE IS AS NECESSARY TO A TRUCK AS STEERING GEAR .... BOTH ARE PROTECTION





SELL YOUR CLIENTS
INDEPENDENCE
PROTECTION

Public Liability

Contingent Public Liability

Property Damage

Collision

Plate Glass Hold Up

INDEPENDENCE INDEMNITY COMPANY

J. HORACE SHALE, President

HOME OFFICE: INDEPENDENCE BUILDING, PHILADELPHIA

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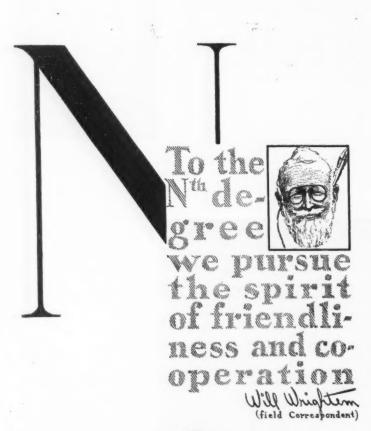
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LONDON & PROVINCIAL

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FRANK J. BUCHER, President

WM. F. KRAMER, Secretary

Organized 1865

# The RELIABLE FIRE INSURANCE COMPANY DAYTON, OHIO

Surplus to Policyholders \$1,069,375

An independent Ohio Company with a record of more than 60 years of honorable dealing with Agents and Assureds

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aderlin's new book, "AUTOMOBILE INSURANCE" is a valuable brief on practically every question arising in the law of automobile insurance. Bound in limp leather. Single 7 \$18. Order from The National Underwriter.

#### **NEWS OF THE COMPANIES**

#### Marquette National Status | Changes in Home Group Up

#### Liquidator Keys Tells Progress in Disposing of Claims Against Chicago Company

Alvin S. Keys, official Illinois liquidator, advises that there has not been a dividend ordered by court paid to creditors in the Marquette National Fire proceedings as the adjudication of the claims has not been completed so as to determine the liabilities of the estate and thereby permitting a distribution to be

made.

The total number of claims on file is The total number of claims on file is 7,098 which figure may be changed slightly in the final closing. The total amount of such claims on file is approximately \$1,667,000.

"The procedure in handling claims," Mr. Keys says, "is to cause to be checked and verified the various claims and become a claim to the change of the control of the change of the

and have reports from time to time sub-mitted to court on such claims with my mitted to court on such claims with my recommendations as to the allowance or disallowance of each. On my petition orders were entered with respect to such claim reports fixing the time and procedure for the filing of objections by claimants to the reports and recommendations and providing for notice by the liquidator and/or receiver to each the liquidator and/or receiver to each claimant of the recommendation on their respective claims and of the opportunity afforded them to file objections and have a hearing on such objections. The aforea nearing on such objections. The afore-said procedure has been consistently fol-lowed in this proceedings and our ex-perience has been that creditors gen-erally have considered that they were fairly dealt with and were given their day in court.

#### Only Ten Objections

"On 6,831 claims which have been adjudicated there were only a total of ten objections filed to the liquidator's final recommendation as to amounts for al-

lowance.
"At the present time the status of claims is as follows:

		Amount Claimed		
Adjudicated by court Pending be- fore court	6,831	1,187,724		768,921
on 5th re- port of re- ceiver Pending be-	227	206,479	82,755	*
fore master in chancery Remaining to be re-	2	46,258		*
ported on by receiver	16	135,997		****
	7,076	1,576,459	82,755	768,921

\*Pending.

"In addition there were 22 claims of foreign creditors filed for \$90,938 which have been satisfied by settlements by former liquidator pursuant to order of

"Subject to the payment of adminis-"Subject to the payment of administration expenses accrued and to be incurred as fixed by court the liquid assets in the hands of the receiver at the present time comprise the following: cash, \$40,365; United States treasury bonds at market price approximately \$255,000.
"In addition I have in my possession other assets belonging to the estate of a very unliquid character and uncertain value regarding which I hesitate to offer a prediction as to what, if any, may be realized.

realized. "I had been quite hopeful that this liquidation would proceed so as to permit the making of a distribution to creditors on their allowed claims before the end of this year, but owing to the various complications which developed in the unadjudicated and unreported claims it would now appear that such cannot take place as the determination of the total liabilities of the estate cannot be had in time to permit."

#### Propose to Merge Baltimore American and Peoples National-To Cut National Liberty Capital

NEW YORK, Dec. 2.—Stockholders of the National Liberty, of the Home of New York group, will meet Dec. 26 to pass upon the recommendation of their directors that capital be reduced from \$10,000,000 to \$4,000,000, the funds thus released to be added to surplus account, affording thereby a better relation between the two items. The proposition is to make the par value of shares \$2 instead of \$5.

On the same day stockholders of the Baltimore American and Peoples National, both of which are also in the Home fleet, will consider the proposal Home fleet, will consider the proposal to consolidate the companies under the title of the Baltimore American. In order to comply with the Delaware requirements, the Baltimore American would purchase the assets of the Peoples National, which is a Delaware corporation. Thereupon the Baltimore American would assume the outstanding liabilities other than capital of the Peoples National. National.

#### Capital of \$1,500,000

The new Baltimore American would The new Baltimore American would have \$1,500,000 capital and adequate net surplus. The agency plant of the Peoples National would be perpetuated to a large extent through the Peoples National Underwriters Agency of the Baltimore American.

The Peoples National was incorporated in 1908. Interests identified with the National Liberty and its allied company, the Baltimore American, acquired controlling interest in 1925. Management of all three companies passed to the Home three years later.

#### President Kurth's Message

President Kurth's Message
President Kurth, in his message to stockholders, in connection with the National Liberty proposal, says:
"You are familiar, of course, with the decline in the market value of securities during the past two years and the consequent reflection in the financial statements of this corporation. The general belief is that such declines in market prices have resulted in quotations which do not fairly represent true intrinsic values, in recognition of which the National Convention of Insurance Commissioners has authorized the use of quotations as of June 30 last. Your diquotations as of June 30 last. Your directors feel, however, that the corporation should place itself in possession of ample net surplus so that even using the present low quotations the corporation would still be in possession of adequate net surplus.
"The insurance business has shown a

"The insurance business has shown a satisfactory profit for the year thus far.
"In November, 1928, the capital was increased through a stock dividend of 300 percent from \$2,500,000 to \$10,000,000 and it is now proposed to reduce the capital to \$4,000,000 by reducing the par value of the stock from \$5 to \$2 per share. The directors have unanimously approved this suggestion and recommend favorable action on the part of the stockholders at the meeting called for Dec. 26."

#### Allstate Enters Georgia

The Allstate of Chicago, the automobile insurance company belonging to Sears, Roebuck & Co., has been licensed in Georgia. Its other states are Illinois, Missouri and California.

# Aero Stock Offer Extended

NEW YORK, Dec. 2.-The unnamed bidder who early last month offered stockholders of the Aero Underwriters Corporation \$12.50 a share for their stock provided enough were offered to

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#### Mills Assumes Blanchard's Title With Fireman's Fund

Edward V. Mills, who has been secretary of the Fireman's Fund Indemnity and Occidental Indemnity, is now secretary of all the companies in the Fireman's Fund group. He succeeds H. P.

man's Fund group. He succeeds H. P. Blanchard, who retired recently. George E. Townsend, who has been assistant sccretary of the Fireman's Fund, Home Fire & Marine and Occidental, has been elected assistant vice-president of the three companies.

#### Merger Is Advanced

By an 80 percent majority vote, stock-holders of the American Colony and Germanic Fire have ratified a merger proposal. Actual value of the shares of each company as of Sept. 30 is yet to be determined and the approval of the New York department is yet to be ob-

#### K. B. Hatch Succeeds Curtis

Kenneth B. Hatch, who has had long experience in the home office and the experience in the home office and the field, and has had a thorough training in special classes, has been appointed manager of the special risks department of the Fire Association at the head of-fice to succeed J. E. Curtis, who has resigned. In his new position he will supervise the underwriting of all classes of sprinklered properties and special classes such as use and occupancy, rents, leasehold, riot and civil commotion.

#### Miscellaneous Company Notes

The Skandia has been licensed in Alabama with Morrill-Doyle-Vickers, Mobile, as Alabama agent.

The Western Underwriters Mutual of Kansas City, Mo., has been licensed in Illinois. F. C. Harvey is president.

#### CHICAGO NEWS

#### REPORT MADE ON CICERO

The gross fire loss in Cicero, Ill., for

#### HEISE CAMPAIGN SUCCEEDS

HEISE CAMPAIGN SUCCEEDS

Highly successful results have been recorded in the radio campaign of the William W. Heise agency, carried on over station WIBO, Chicago, in an ambitious effort to build up automobile premiums through giving an adequate road information and towing service. Mr. Heise, who tried the radio campaign on an experimental three months' basis, is greatly pleased with the outcome and it seems certain will renew his contract for a longer period. His arrangement with WIBO permitted him to try the campaign for three months, renew if he desired for six months and at the end of that time if he wishes, to renew for a five-year period. a five-year period.

It is interesting to note that the radio

broadcast alone costs \$685 a week. The

give stock control has extended the time limit for the offering of such stock from the end of last month to Dec. 23.

The Aero Underwriters Corporation is the holding company for the Aero, Aero Indemnity, Aero Engineering & Advisory Service and Barber & Baldwin, the latter being underwriters for a number of fire and casualty companies.

Mr. Heise comments, "We are whipping the motor club in a limited way."
He says he has contracts now with 25 service trucks and 107 service stations scattered throughout the Chicago area, giving an adequate service to motorists.

Every new automobile policyholder in addition to the service is furnished an up-to-date book of road maps covering the entire United States, which retails

the entire United States, which retails for 75 cents.

The Heise broadcast has been highly praised by the Insurance Brokers Association of Illinois, due to the fact that in the spoken part of the program the constant theme is "See your own broker." On business which comes direct to Mr. Heise, he is invariably asking the client for the name of his broker and crediting the business to the producer, whoever he may be.

and crediting the business to the producer, whoever he may be.

The result of this wise policy is a deep appreciation among brokers, and Mr. Heise reports that he has placed a number of agents over a wide area sur-

In fact, inquiries rounding Chicago. have come from many surrounding states.

#### FRED SILBER'S ACTIVITY

In connection with the recent with-drawal of Samuel Levin from the firm of Silber, Isaacs, Silber & Woley, 208 South La Sale Street, Chicago, that firm announces that its department for the investigation, briefing, opinions in and trial of insurance cases will continue under the direction and supervision of Frederick D. Silber, who has long been identified with insurance interests.

#### FAIR POOL NEARLY READY

Setup of the pool arrangement, under which fire insurance on the Chicago World's Fair property is to be distributed among the companies, has been decided upon in principle and with a few details to be perfected, it will probably be in operation about Jan. 1. According to present plans, the pool would be operated along lines similar to those of the Underwriters Grain Association and W. L. Lerch, manager of the grain association, would have charge of the World's Fair pool. Mr. Lerch would be an attorney-in-fact, as would Ernest Palmer, manager, and J. S. Glidden, associate manager Chicago Board.

John McDonald, former assistant fire

marshal in Chicago, has been employed to stay on the World's Fair site and protect the interests of the fire insurance companies, at least until the fair is

opened.

Credit for a large part of the work of planning the pool goes to Mr. Glidden, who has been spending much of his time on it for the last few months. He was assisted by a committee, the members of which are P. B. Hosmer, Fred J. Sauter and Ward Seabury, who was represented by R. M. Cunningham.

\* \* \* \*

#### SOCIETY 14 DISCONTINUED

Because of the condition of the securi-ties market, payments to Savings So-ciety No. 14 have been discontinued.

#### R. W. MILLER'S SON WEDS

Norman R. Miller, son of R. W. Miller of Conkling, Price & Webb, was married Thanksgiving evening to Miss Ruth Baldwin of River Forest, Ill. Mr. Miller is employed by the steel firm of Joseph P. Ryerson & Co.

#### Augusta After Mid-year Meet

AUGUSTA, GA., Dec. 2.—Augusta local agents backed by the resort hotels of this city, are making a determined effort to secure the coming midwinter meeting of the National Asso-

# FIRE ASSOCIATION OF PHILADELPHIA

THE RELIANCE INSURANCE COMPANY



VICTORY INSURANCE COMPANY

OTHO E. LANE, President

JAMES G. MACONACHY, Vice-President J. VICTOR HERD, Secretary

# CONSTITUTION INDEMNITY COMPANY OF PHILADELPHIA

OTHO E. LANE, President FRANKLIN VANDERBILT, Vice-President and General Manager

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#### Dunham Issues Call for Assets Schedule

NEW YORK, Dec. 2.—Commissioner Dunham of Connecticut has sent 'out instructions to all companies licensed in that state to file with his department a schedule of assets with values fixed as of Sept. 30 or Oct. 31. He asks that changes in securities since Jan. 1 be listed, showing the prices paid for these securities and their present market value. In all valuations the current figures must be used.

#### **Outlines Commissioners' Schedule**

OKLAHOMA CITY, Dec. 2.—Just before leaving for New York to attend the meeting of the National Convention of Insurance Commissioners, Dec. 7-9, Secretary Jess G. Read announced that committee meetings would be held all through the first day. The second day will be reserved for reports of committees and the third day for discussion. All committees appointed at the Portland convention will be expected to give reports. Particular attention will be

given to the report of the committee appointed to consider the question of examinations as a result of the address given at Portland by Commissioner Dunham of Connecticut.

En route, Commissioner Read will spend several days in Kansas City, Mo., and Columbus, O., on business.

#### Report Merchant Marine Fund Experience in 1931

(CONTINUED FROM PAGE 5)

chasers of Shipping Board tonnage and by borrowers from the construction loan fund, were examined and approved. Policies for fire insurance, workmen's compensation, pnublic liability, automo-bile and other types of insurance total-ing \$12,800,000 were also examined and

#### Murdoch Probes Brokers

OKLAHOMA CITY, Dec. 2.-William M. Murdoch, secretary of the state insurance board, left Monday for New York to investigate brokers whom he oklahoma without authority. While in the east he will attend the commissioners' convention Dec. 7-9. business in y. While in

# Central Manufacturers in New Home

Last month the Central Manufac-Last month the Central Manufacturers' Mutual moved into its handsome new home office building in Van Wert, O. The building is set in a beautiful park of 23 acres on South Washington street. It will house the home offices of the Central Manufacturers' Mutual, Ohio Millers' Mutual, Ohio Underwriters Mutual Fire and the General Mutual Life, all under the management of "the Purmorts".

"the Purmorts". Formed in 1876 the Central Manufacturers' was first known as the Van Wert County Mutual Fire. It was established by a group of farmers and business men and did business only in the local terri-tory. In 1884 it assumed its present name, because of its more widespread operations. Total assets are now more than \$4,000,000, almost half of which is in government bonds. Surplus to policyholders is over \$2,000,000.

The real growth of the Central Manufacturers' began under Frank W. Purmort, secretary from 1888 until 1908.

State Will Take Kentucky

He was succeeded by C. A. L. Purmort,

He was succeeded by C. A. L. Purmort, who continued as secretary until 1929, when he was elected president on the death of H. V. Olney.

The present officers are: C. A. L. Purmort, president; L. G. Purmort, J. S. Kemper and G. A. Burger, vice-presidents; C. M. Purmort, secretary and treasurer; C. V. Hoke, general counsel; F. W. Purmort and Paul W. Purmort, assistant secretaries. assistant secretaries.

assistant secretaries.

In 1913 officers of the Central Manufacturers' took over the Ohio Underwriters' Mutual and in 1927 the Ohio Millers' Mutual. In 1930 the General Mutual Life was organized.

The new building is the last word in modern construction with air conditions.

modern construction, with air condition-ing apparatus, sound deadening material in the walls, indirect lighting, etc. The building was planned for efficiency by H. A. Hopf & Co., management engineers and building and planning specialists, whose headquarters office is located in New York City.

# Agents are human beings-we treat them that way

A LIFETIME spent in the local agency business enables officers of the Kansas City Fire and Marine to understand agents and know what they like and want in a company. Naturally, this company has been carefully built with the agents' viewpoint foremost.

Our agents know that we understand and appreciate their problems. With them we have experienced the fatigue, fears, disappointments and thrills of the real fighter. Having worked on the firing line as local agents, we have seen an agent smile when he lost a good line, stand the abuse of customers over a bad adjustment, be discouraged on failing to collect a premium and thoroughly disgusted when unable to get his viewpoint over to his company. Our understanding and help in solving problems facing agents has made our agents most loyal and satisfied with this Kansas City company. If you desire sympathetic understanding and constructive help based on real experience you will find this company a real addition to your agency.

# Rate Increase to Court

LOUISVILLE, Dec. 2.—It appears as though efforts of the Kentucky Actu-arial Bureau to increase rates on tenth business purposes, not including residences, farm properties, schools or churches, will result in litigation, followchurches, will result in litigation, following refusal of George H. Parker, manager Kentucky Actuarial Bureau, to withdraw the increase, at a conference with Attorney General Cammack, State Auditor Coleman, W. P. Tate, actuary for the insurance department, and Assistant Attorney General Hollafield in Frankfort Monday.

Mr. Cammack demanded that the increase which will average about 8 persents.

crease, which will average about 8 percent, be withdrawn. Afterward the auditor stated that suit would be filed to prevent the increased premium being collected.

Mr. Parker contends the filing was made Aug. 27, became effective Oct. 19, was regular in every way, and that the bureau can not do other than refuse to withdraw it. Mr. Cammack contends that the filing was irregular, in that it was not made with the head of the that the filing was irregular, in that it was not made with the head of the department of fire prevention and rates, but with W. J. Recktenwald, an employe of the department, who did not notify State Auditor Coleman or Assistant Auditor George Keenon (superintendent of rates) of the increase until Sept 11, although filed Aug. 27

Sept. 11, although filed Aug. 27.
Recent increases in Louisville cover ing brick and frame mercantile buildings, which will also affect stock or contents, were allowed by the department. This increase was from 40 to ment. This increase was from 40 to 42½ cents on brick and 95 to \$1.05 on

#### FIELD MAN

With 14 years fire experience inside and direct field work, desires connection with good company. Future paramount to present sal-Address U-54, The National Under

Wanted fire company for general agency, Illinois and Wisconsin. Established connections. Prefer company with small or moderate volume. Address U-55, The National Underwriter.

#### Wanted

Cook County Special Agent fire and casualty group. State full qualifications. Address U59, The National Underwriter.

# Late News from the Casualty Field

#### Day Resists Extradition

LOS ANGELES, Dec. 2.—Darby A. Day, who is resisting the efforts of the federal government to take him to Missouri to answer to an indictment re-turned in Kansas City charging him and J. B. McCutchan with using the mails to defraud, has been granted a continu-ance until Jan. 12 on the question of his removal to Jefferson City, where the case has been assigned to trial.

#### Federation Meets Monday

The annual meeting of the Insurance Federation of America will be held next Monday at the Hotel Pennsylvania in New York City. The officers and committee chairmen will hold an executive session in the morning and there will be an open business meeting in the afternoon. Harry Wadsworth of Syracuse, N. Y., is head of the organization and will preside.

#### Cost Conference Postponed

NEW YORK, Dec. 2.-Pressure of other gatherings compelled postponement of the casualty acquisition cost conference from Dec. 2 to 4 and of the surety acquisition cost conference from

#### Protest Short Rate Change

NEW YORK, Dec. 2.-Formal and vigorous protest has been lodged by the executive committee of the Fire Insurance Agents Association of New York against the change in the short rate rule recommended by a special committee representing the New York Fire Insur-ance Rating Organization.

Any alteration in the existing rate rule, the agents assert, would logically be adopted elsewhere throughout the country and would work grave injury to the general conduct of the fire business. Executives as well as local men are urged to vote against the suggested change.

#### North America to Put Up 25-Story Building in N. Y.

NEW YORK, Dec. 2.-The North America has awarded the contract for the construction of a 25-story office building in the insurance center of this city, within which when completed, the departmental office here will be housed.

Organized and managed by R. B. Jones & Sons, Kansas City, Chicago

# Kansas City Fire and Marine Insurance Company

Chicago, Ill. Insurance Exchange

Kansas City, Mo. Federal Reserve Bank Bldg.

# Field Man's Lament—Collections. **Collections, More Collections**

The following communication from a field man in the northwest was received by The National Underwriter:

"The subject of delinquent agency bal-ances should be deserving of more concerted attention from company managers. It is quite possible that conditions in all fields are not deplorable, but I venture to say they are in a greater or lesser degree unsatisfactory.

"Delinquent balances largely dictate the direction of field men's trips. The necessity of obtaining outstanding bal-ances up the line denies him the oppor-tunity to thoroughly cultivate his agencies and the expense involved in collecting from an agency remotely situated, especially in the western states, frequently exceeds the amount of indebtedness.

#### Production Is Secondary

"A certain amount of constructive work may be accomplished between col-lection calls, but a special agent responsible to a state agent or a state agent responsible to his manager is naturally and even necessarily inclined to stress his efforts in behalf of collections to the utmost and consequently the primary purpose of his office, the appointment of agents, the production of premiums, and the adjustment of losses, have become a secondary matter.

The expense incurred in writing balance letters, telegraphing, telephoning and making personal calls to chronic, perpetual and habitual delinquent agents

is considerable. It is not unreasonable to claim that 75 percent of an active field man's time is demanded to collect balances during November and December, and I venture to estimate that 25 percent of the remaining ten months time is required by these duties.

#### Insurance Is Unique

"Ours is the only substantial business I know which permits agents to carry on without any invested capital whatsoever and in fact with premiums held by him and in fact with premiums held by him in trust only and frequently diverted toward financing such other ventures as the agent may be engaged in.

"The field personnel are not responsible for this state of affairs. Competition is its parent, and managers who have

is list parent, and managers who have intelligently mastered the rating, adjust-ing and commission problems by con-certed action surely are competent to control a condition which is admittedly a sad commentary on the conduct of

our business.
"Some field men express themselves as heartily disgusted with present con-ditions. Their talents as raters, adjustditions. Their talents as raters, adjusters and business producers can be only partly applied and they have in a measure alternative out of proportion to their abilities become, in part at least, collection agents. The collecting of delinquent accounts has become quite a factor in field and home office overhead and it is a problem which should be treated with energy and resolution, and moreover should be treated promptly."

#### No Mortgage Endorsement: Insurer Held Not Liable

The Home of New York has just been upheld by the Maryland court of appeals in its denial of liability on a fire policy which did not contain a mortgage endorsement covering encumbered tobacco stored in a barn. The case was Bitting vs. Home of New York.

Bitting testified that the insurance agent advised that the policy would insure the crop of tobacco, permitting Bit-ting to borrow on the crop, either by bill of sale or chattel mortgage. Bitting declared he relied on the agent's representation and believed that the policy was properly drawn.

The Maryland court of appeals held that, if it was not the policy for which Bitting had bargained, he could have applied to a court of equity for its reformation and could not only have reformed it, but could in the same proceeding also have required the Home to pay such loss, if any, as Bitting may have suffered through the destruction or damage by fire of property covered by the policy as reformed, but until reformed the policy accepted by Bitting is the only con-tract between the parties and is the basis of the suit.

Neither the fact, if it was so, that the Home defaulted in its agreement to issue to Bitting some other kind of policy, or that he failed to understand the terms of the contract which actually was issued, can estop the Home from setting up as a defense to an action on that olicy violation of its terms by Bitting. Bitting cannot at the same time affirm the policy by suing on it, and avoid it by saying that it is not the real contract which he made with the Home.

#### Joins New York Office

William J. Decker has joined the New York City office of the Sussex Fire and Essex Fire, both of Newark, as special agent in the suburban territory. Mr. Decker has been in the field for a number of years and is well acquainted with the territory which he now covers.

#### Contract Can't Be Forced on Person Is the Answer

Question: What is the law and what,

Question: What is the law and what, if any, decisions have you to cover the law in the following facts:

The assured received the fire insurance policy contract and invoice. The policy renewed insurance previously in force. Assured failed to notify the agreement was not desired. agent that a renewal was not desired. Agent permitted the insurance to run until he, the agent, was required to pay company for accrued premium charge, believing that assured desired the insurance coverage represented by the policy contract.

Answer: There is no statute covering the situation which you describe and about which you inquire. A man cannot be forced to take a contract. Unless there is evidence that the insured indicated in some way that he wanted the policy, he cannot be forced to pay for it. Only the laws of contract govern. There have been decisions in cases where merchandise was sent to a person without his request or authority.

son without his request or authority. The only circumstance under which a person has been made to pay for this merchandise is where he has made use of it. When he has put the article to use, the seller can maintain that he has attested the completion of the sale and also that he has converted the property. Of course, an insurance policy is dif-

Whether a company forces the agent whether a company forces the agent to pay the earned premium in cases of this kind depends on the company and on the agent. The company may insist upon being paid but individual circum-stances determine whether the agent pays, companies having been known to cancel flat for the benefit of the agent.

#### Night Parking Hazardous

NEW YORK, Dec. 2.—All night parking of 123,460 automobiles in the streets of this city not only interferes with proper driving, but materially increases the fire hazard, according to a survey presented Police Commissioner Mulrooney by representatives of the New York board of trade.

# AMERICAN RESERVE INSURANCE COMPANY

85 JOHN STREET : : NEW YORK, N. Y.

T. B. BOSS, President

A. T. TAMBLYN, Vice Pres. & Sec. J. W. COCHRAN, Vice Pres.

E. L. MULVEHILL, Treasurer

# FIRE REINSURANCE

# Great American Insurance Company

New Hork

INCORPORATED - 1872 STATEMENT JANUARY 1, 1931

\$16,300,000.00 23,250,518.69

16,383,804.96

55,934,323.65
SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

\$32,683,804.96
LOSSES PAID POLICY HOLDERS

\$222,940,109.32

WESTERN DEPARTMENT 310 South Michigan Avenue, CHICAGO, ILL.

C. R. STREET, Vice-President

the Mystery from U. & O.

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## Need for Constructive Salesmanship

of the financial crisis on investments garded as gilt-edged securities. He may the standpoint of the production decannot help but leave its mark. The decline was due first to general business depression and a consequent reduction in insurance carried and secondly the unfortunate reduction in the rates.

Under the circumstances men who are in the agency field are concentrating their minds on the course to pursue while business is still in its lethargy. There has not been much change so case they materialize. far as revival in trade is concerned. There will perhaps not be much of a ripple for many months. The country has been through an unfortunate business boom. After a collapse there comes a state of depression until people get adjusted to new conditions.

responsible for production to cast about tional lines. They must become teachfor means to remedy the situation. Perhaps this much can be said: We have been too prone to move along in lines of least resistance and take business as it comes. We have not given to insurance that studied concern and profound structor and helper. He must provide thought that it deserves. We have not forced ourselves to become experts and We shy when it comes to tilized. We dislike real mental effort. We drift along with the tide, curse our luck and hope for better things.

We must get down to genuine, hard work an insurance man must know his ing our resources to the utmost.

In studying the statistics for last year contracts thoroughly, their provisions, one may be impressed with the effect limitations and prohibitions. He must be able to program a man's insurance showing depreciation in what were re- needs and out of his kit take forms of cover that will fit the individual case. find a big loss in underwriting. From An agent should not sell a man insurance simply because he is able to conpartment the decreased premium income vince him that it is a good thing. The agent should know that it is something the policyholder really needs. The prospect's personal, residential and business insurance requirements should be thoroughly studied and a program or map should be shown the assured. It should be very clear. It should give a man a perfect picture of what hazards are confronting him and what can be done to indemnify him against their rayages in

Salaried special agents must equip themselves far more thoroughly than they are today in order to properly instruct local agents. There is too much drifting among the field men. They are not taking their jobs as seriously as they should. They are not keeping The present prostration causes men abreast with the times along educaers and salesmen themselves. Every field man should be able to contribute something of real value to every agent that he visits. In fact more and more his chief duties will be those of an increative ideas. He must show how the fallow land should be cultivated and fer-

The entire scope of insurance salesmanship, in our opinion, will have to be revised and put into form so that the humblest solicitor will be able to use it. work and prepare ourselves for creative In its more complicated relationships it endeavor. The principles of salesman- must be so devised that the master ship must be mastered and applied to agent who deals in big things can apply insurance. Many insurance agents are it intelligently and effectively. We are not expert salesmen. They have not ap- overlooking scientific and creative salesplied themselves to it as life insurance manship in its application to fire and agents have. In order to do creative casualty insurance. We are not utiliz-

#### PERSONAL SIDE OF BUSINESS

H. W. Fores, San Francisco, general ! agent for the Scottish Union group, has returned from a five weeks' trip to the Hawaiian Islands. Mr. Fores reports conditions in the islands as being very good, remarking that depression has apparently overlooked the country made famous by the "Beach at Waikiki."

Fifty field men, adjusters, inspectors and local agents paid their respects to Earl D. Patton, former Kansas state agent for the Northern and now assistagent for the Normany, at a din-ner given by the Blue Goose at To-peka Friday evening. Mr. Patton was presented with a desk set by the Blue Goose. Curtman Maupin very ably led a number of appropriate songs. A very clever sketch was presented when a young man was presented to those present as the successor of Mr. Patton as state agent. He was supposed to have been sent from England and successfully took the part.

James A. McGann, who for more than James A. McGann, who for more than 60 years had been a member of the Prevost, Thomas & Herring agency at Philadelphia, was killed by an automobile near his home in Drexel Hill. He was president of the fire insurance patrol of Philadelphia, was one of the founders and treasurer of the Fire Insurance Society and for several years had served on the executive committee of the Philadelphia Fire Underwriters Association. Association.

Ben I. Simpson, manager of the southeastern department for the North America, died suddenly in Savannah, Ga. Mr. Simpson was taken ill while driving with his wife and son from their home in Atlanta to their winter home near Savannah. He was taken to a hospital in Savannah but died very quickly.

Early in September it was announced that the southern department of the

North America would be removed to the home office at Philadelphia, Jan. 1. Mr. Simpson was to have remained at At-lanta, however, to supervise a service office there and at other points through-

office there and at other points throughout the south.

Mr. Simpson was 52 years of age. He was born in Irwinton, Ga. For several years he was special agent for the Fireman's Fund in southern territory. In 1909 he joined the Phoenix of Hartford in a similar capacity and in 1918 became assistant manager of the North America's southern department and in America's southern department and in 1925 was promoted to manager. Memorial services were conducted by

the Southeastern Underwriters Associa-tion. Since his death it has been learned that he had not been in good health for several months. This fact was known only to his intimate friends.

Sympathy is going to Stuart Morgan, state agent Agricultural and president of the Michigan Fire Underwriters Association. His son, Stuart Morgan, Jr., was critically injured recently in a fall from his room at his parents' residence in East Lansing, Mich. The dence in East Lansing, Mich. The young man, 18 years of age, and a freshman at Michigan State College, was studying at his home in the evening when he apparently fell asleep while sitting beside an open window. He plunged to the ground 15 or 20 feet below striking in the heavy that his below, striking in such a way that his spinal column was broken and the spinal cord injured. Specialists are uncertain about his chances for recovery. He has recently been removed to the College hospital from one of the city hospitals where he was taken after the accident. He has shown some improvement and is making a remarkable fight for life in the face of tremendous odds.

Not only from practically every state in the Union, as well as from several of the Canadian provinces, have boys and girls written H. K. (Smoky) Rogers of the Western Actuarial Bureau in Chicago recently, telling how they have

been listening in on his broadcasts over the NBC chain, but a few days ago a boy living in Hope Town, Abaco (one of the Bahama Islands) wrote, telling how much he enjoyed the dramatic picturization of a fire prevention which is incorporated in these weekly broadcasts. As a memento of the occasion, the Hope Town boy asked that "Smoky" send him one of his "clown" pictures, which has gone forward.

C. M. Ringo, well known local agent of Ironton, O., died Monday evening. Mr. Ringo was about 60 years of age. He was very active in the affairs of his city and of his part of the state. He was an old time local agent and had a

F. S. Rogers of Rogers & Field, St. Paul general agents, is the father of a nine pound son, James C. Rogers.

The death of E. H. Sherley, 63, for The death of E. H. Sherley, 63, for the past 23 years Tennessee state agent for the Home of New York, was not unexpected. He had been away from the office for about eight weeks, suffering from a nervous breakdown due to overwork, and more than a week before his death Mr. Sherley's physicians had given up hope of his recovery.

Born and reared at Anchorage, Ky, he went as a wang man to Louisville.

he went as a young man to Louisville and was for several years building inand was for several years building in-spector there. He went from there to Paducah with the Kentucky Actuarial Bureau, and a few years later to Arkan-sas to represent the Liverpool & Lon-don & Globe, with headquarters in Memphis. When he was appointed state agent for the Home 23 years ago he moved to Nashville and had resided there ever since. He was active in civic and religious work as well as in the and religious work as well as in the Blue Goose and other insurance organizations.

Walter E. Atwater, Milwaukee, state agent for the Caledonian and associated companies in Wisconsin, and Mrs. Atwater have announced the engagement of their daughter, Catherine, to Lyle McKown of Minneapolis. Mr. McKown is a son of J. C. McKown, secretary of the St. Paul Fire & Marine and is in the local agency business in Minneapolis.

A. H. Averill, Oregon commissioner, has been reappointed by Mayor Baker of Portland to serve another five-year term on the commission of public docks It is permissible to hold down both of these jobs, because of the fact that the dock commission is only a "thank you" job. Mr. Averill has already served 15 years on the commission.

S. R. Kennedy, who became president of the Buffalo just seven years ago and has since continuously held the office, spent Thanksgiving Day in New York City, having motored down from Buf-falo with Mrs. Kennedy. He covered the 400 miles in less than 13 hours, in-cluding time out for lunch and for din-

Bennett B. Bean of Lexington, Ky., state agent Commercial Union, is spending a few days at Johns Hopkins Hospital, Baltimore, for observation in connection with some ear trouble.

W. A. Miles of Miles & Miles, Illinois state agents for the American Liability & Surety, was slightly injured in an automobile accident Thanksgiving Day, but is now out of the hospital. Mrs. Miles was more severely injured and is citil confined to St. Francis hospital in Evanston. Mr. and Mrs. Miles were on their way to attend the wedding of the daughter of A. L. Ladd, Chicago ad-juster, when the accident occurred.

William Hukill. Kentucky deputy fire marshal, sustained a broken right leg in Winchester, Ky., when he was struck by an automobile as he was crossing the street.

#### **ALLEMANNIA FIRE**

Insurance Company

Pittsburgh, Pa.

Incorporated 1868

#### WESTCHESTER FIRE

Insurance Company

of New York

Organized 1837

#### WESTERN

Assurance Company

of Toronto, Canada

Incorporated 1851

#### UNITED STATES FIRE

Insurance Company

of New York

Incorporated 1824

**DECEMBER 31, 1930** 

=

 Capital
 \$ 5,000,000

 Net Surplus
 10,646,851

 Liabilities
 16,679,134

 Assets
 32,325,985

## **CRUM & FORSTER**

MANAGERS

110 William St.

New York City

Department Offices

Western Dept. Southern Dept. FREEPORT, ILL. ATLANTA, GA.

Pacific Dept. Carolinas Dept.
SAN FRANCISCO, DURHAM, N. C.

Allegheny Dept. PITTSBURGH, PA.

## **NORTH RIVER**

Insurance Company

of New York

Incorporated 1822

**DECEMBER 31, 1930** 

 Capital
 \$ 4,000,000

 Net Surplus
 6,370,934

 Liabilities
 10,543,736

 Assets
 20,914,670

#### BRITISH AMERICA

Assurance Company

Toronto, Canada

Incorporated 1833

#### RICHMOND

Insurance Company

of New York

Incorporated 1907

## METROPOLITAN FIRE

Insurance Company

of Chicago, Ill.

Incorporated 1903

#### **SOUTHERN FIRE**

Insurance Company

of Durham, N. C.

Incorporated 1923

#### UNITED STATES

Merchants & Shippers
Insurance Company

of New York

Incorporated 1866

# NEW YORK STATE FIRE

Insurance Company of Albany, New York

Incorporated 1836

Decen

# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

Underwriters Are Reducing Amount of Insurance in Order to Comport With Values

Farm writing companies in Ohio, as in other states, have been reducing their lines and cancelling risks throughout the state. One of the important farm companies in the state will show a premium income almost one-half that of last year and a large part of this reduction has been effected by the company itself.

Not only have the stock companies been feeling the increased farm loss ratio but the mutuals as well. Rates above \$3 are not uncommon for the mutuals tuals today. Some of the mutuals which carried over bank loans last year, instead of making sufficient assessments to pay the banks, hoping the 1931 loss ratio would be reduced and that an assessment of normal proportions might be levied this year to take care of cur-rent losses and those occuring last year, are now faced with the necessity of making an assessment sufficiently large to take care of the bank loan which was unpaid at the end of last year and in addition a large loss occurring this year. It is likely also that some of the banks will not be willing to carry over

large loans into another year and will insist upon an assessment sufficiently large to take care of the bank loan and the current losses.

#### Drop in Premiums Shown

Fire Insurance Income Is Off from 15 to 20 Percent in Ohio This Year

COLUMBUS, Dec. 2.—Ohio 1931 fire company premiums will drop from 15 percent to 20 percent below those of 1930. This is the prediction which is made by field men operating in the state. Policies covering mercantile stocks are still being reduced on expiration. There is some evidence however that this reduction is not due to a smaller quantity of stock on hand but rather to the de-

creased value of goods.

Losses in Ohio have not been severe except on the farms. Farm losses have been very discouraging while losses to factories and stores have been surpris-ingly low when measured by expecta-

Farm Companies Cut Lines | tions based on previous periods of busi-

#### Gas Permit Does Not Allow Bootleg Use of the Fuel

Permission in the policy to use gas for Permission in the policy to use gas for heating and lighting in the "accustomed manner" does not permit use of gas to manufacture liquor in a secret room in the assured's barn. This was the decision of the West Virginia supreme court of appeals in Whitlatch, Administrator, vs. Mutual Fire of West Virginia.

The court held that the fact that the room had no ventilation, and that gas was being conducted through a rubber hose, show a use which was unusual and not contemplated by the insurer in granting the gas permit. Even if the

not contemplated by the insurer in granting the gas permit. Even if the court closes its eyes to the obvious in-ference to be drawn from the character of the articles in the room, it must nev-ertheless hold as a matter of law, that use of gas under such extraordinary conditions increases the hazard as-

#### Plan Fire Prevention Session

A fire prevention session will be held in connection with the All-Ohio Safety Congress in Columbus in April. The session will be held at night, in order that those who attend the other meet-ings in the day time and who are interested in fire prevention work may be present. It is expected that in this present. It is expected that in this way the fire prevention sessions will be more largely attended than usual. F. O. Evertz of the Ohio Inspection Bureau has charge of the fire prevention end of the congress.

#### Chapman Blue Goose Speaker

H. V. Chapman, advertising manager of the Ohio Farmers, will be the speaker at the Ohio Blue Goose lunch-con at Columbus next Monday.

#### Bureau Club's Annual Meeting

The Bureau field club of Ohio will hold its annual meeting and election of officers Dec. 8.

#### Ohio Notes

The Le Fevre Insurance Agency, Sebring, O., has been incorporated.

Kenneth C. Daumler has been elected president of the Associated Agencies, Columbus, O. H. H. Leukart is vice-president and Miss Esther Guyer secretary. The agency was purchased some time ago from C. H. Watson.

# CENTRAL WESTERN STATES

#### Slocum Comments on Times

Secretary Pioneer Reserve Mutual Tells About Farm Insurance Conditions in His State

James Slocum, fire preventionist ex-traordinary, and secretary of the Pio-neer Reserve Mutual Fire of Detroit, is one of the authorities on farm insur-ance in his state. He has made the ance in his state. He following observations:

"1931 has been the worst year of all time for fires on the farms of Michigan, both in number and total amount of losses, most of which have resulted from the depression, lack of improvements, carelessness and incendiarism. Many farm mutual companies, operating in the state, have suffered severely—some of them compelled to call extra assessments, or call a heavy regular assess-

ment, ranging anywhere from \$5 to \$9.50 per \$1,000 insurance carried. There are very few assessing less than \$5, which added to the fact that many are unable to borrow money with which to pay their losses and expenses, have caused much worry and uneasiness to many companies which have been suc-

"The loss ratio of the Pioneer Re-serve Mutual Fire for the first ten months serve Mutual Fire for the first ten months for the past five years, per \$1,000 insurance carried, is as follows: 1927, \$1.61—1928, \$1.99—1929, \$1.44—1930, \$1.73—1931, \$1.59. Our average yearly ratio for the past five years has been \$1.68 per \$1,000. This covers losses only. Operating expenses are not included. "The amount of new insurance written for the first 10 months of 1931 is \$7,343.030. Amount of insurance we have

343,030. Amount of insurance we have cancelled for the same period \$4,310,185, the net growth after deducting cancellations being \$3,032,845. Insurance at risk

Nov. 1, 1931, \$29,482,004. The bank balance is \$60,149.38. Of the insurance cancelled during the first ten months fully \$3,500,000 was because investigation and inspections developed the fact that the insurance was not considered safe or desirable to carry hence cancellation. This company does not hesitate to promptly cancel insurance not desirable. to promptly cancel insurance not desir-able to carry."

The Pioneer Reserve will not insure

any farm property unless the owner maintains fire extinguishers. If a policyholder has a shingle roof on his dwelling he is required to have a spark arrester on every chimney.

#### Deviations Permissible in Indiana, Kidd Is Advised

Attorney General Ogden of Indiana has advised Commissioner Kidd that deviations downward in fire insurance rates from the rates fixed by the rating bureau may be legally granted by the insurance department. The deviations must follow the procedure outlined in section 9215 of Burns annotated Indiana statutes of 1926.

This section provides that deviations shall be uniform in application to all risks in the class for which the variation is to be made. Notice must be given the rating bureau and the commissioner 15 days before the deviation is to take effect and schedules providing for the variations must be filed with the rating bureau and the commissioner.

#### Poll Tax Form Prepared

INDIANAPOLIS, Dec. 2.—A form has been prepared by the Indiana department on which those applying for agents' licenses can give evidence of having paid their poll tax, without requiring the sending in of actual receipts. Cards printed with the form will be supplied to companies and they can furnish plied to companies and they can furnish them to their agents. The first order received by the department for these cards was for 25,000.

#### Blitz Reestablishes Agency

Max J. Blitz, veteran local and general agent at Fort Wayne, Ind., more recently a member of the firm of Blitz, O'Keeffe & Gallmeyer, has reestablished the M. J. Blitz Agency. Mr. Blitz has been associated with the Lincoln National Life since its inception and has been one of its directors. The entire capital stock of Blitz, O'Keeffe & Gallmeyer has been acquired by D. J. O'Keeffe, E. J. Gallmeyer and W. G. Strausser, who will operate under the name of O'Keeffe & Gallmeyer, Inc.

#### Tax Delinquencies Create Hazard

DETROIT, Dec. 2.—Fire companies may find it advisable to beware of writing business in sections of the city where the rate of tax delinquency is high because of the imminent danger that fire protection is to be reduced in those districts.

G. Hall Roosevelt, city controller, was informed by letter late last week from the fire commissioners board that a threatened reduction in the departmental budget due to tax delinquencies can only be taken care of by the closing of 10 or more engine houses and dismissal of the 150 men now manning them. Mr. Roosevelt had informed the board that existing city revenues would force a paring of \$109,260 from the amount due the department.

#### Vernor at Grand Rapids

At the invitation of Assistant Fire Marshal Higgins of Grand Rapids, R. E. Vernor of the Western Actuarial Bu-reau will discuss "Safety in General" at the fire department banquet.

#### Sinking Fund Interest Pays School Premiums

LANSING, MICH., Dec. 2.—The Lansing board of education, which has been a partial self-insurer for several years, has at last been persuaded to abandon the policy and to provide adequate coverage for all school buildings on a 90 percent coinsurance basis. The new contract, insuring the more than 30 buildings and the contents of the two senior and three junior high schools and the school library, is for a five-year period and will be apportioned on an equitable basis among all of the local agencies.

The sinking fund built up to meet losses was, paradoxically, used as a wedge in obtaining the return of the business to the companies. The fund now amounts to about \$100,000 and the agents pointed out that interest revenue from this source would go a long way from this source would go a long way toward paying premiums for coverage on all of the schools. Much greater security will be provided the taxpayers as the board was formerly carrying the most hazardous properties under the self-insurance plan while insuring the fireproof buildings.

## News of States in the Northwest

#### Tells of Stock Fire Service

Points Out That Real Estate Mortgages Are Protected Against Hazard of Burning

C. R. James, special agent Aetna and secretary of the Wisconsin Fire Pre-vention Association, in addresses before the Rotary Clubs at Antigo and Hori-con, Wis., outlined the many valuable services rendered by stock fire insur-

ance.
"The protection and guidance of stock fire insurance is woven into and all the

fire insurance is woven into and all the way through our commercial fabric," Mr. James asserted, "and the mammoth credit structure of this country rests safely on the solid, granite-like foundation of stock fire insurance."

He also described generally the service given by casualty and surety companies and by the life companies. He pointed out that each dollar invested by life companies in real estate loans or mortgages is securely guarded by fire insurance, and mostly by stock fire insurance.

Mr. James also addressed students of the Horicon high school on "The Standard Fire Insurance Policy."

#### Fire Chief Honor Guest

MILWAUKEE, Dec. 2.—Peter Stein-kellner, Milwaukee fire chief, will be the guest of honor at a dinner meeting of the Milwaukee Board Dec. 9. Leon M. Gurda, city building inspector, will talk on construction problems and inspection work as they relate to the fire insurance

#### Push Wisconsin Local Boards

MILWAUKEE, Dec. 2.-Organiza-MILWAUREE, Dec. 2.—Organization of local boards through the state of Wisconsin is progressing rapidly, according to J. G. Grundle, secretary-treasurer Wisconsin Association of Insurance Agents. The association at its annual meeting in Milwaukee, in addition to laying plans for a membership tion to laying plans for a membership campaign voted to sponsor the forma-tion of local boards throughout the state. A local board is now being formed

# LOYALTY GROUP

#### TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself: Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgement of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven: that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D., History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1900 than in the year 1900 A. D.: and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two !housand years ago a wise teacher and leader of men said: "Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

NEAL BASSETT, President.

NEAL BASSETT, President

JOHN KAY, Vice-President and Treasurer

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ARCHIBALD KEMP. 2d Vice-President

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WELLS T BASSETT, Vice-President

WELLS T BASSETT, Vice-President

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NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

NEAL BASSETT, President

A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP. 24 Vice-President JOHN KAY, Vice-President

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CHARLES L. JACKMAN, President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

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WELLS T. BASSETT, Vice-President

ARCHIBALD KEMP, 2d Vice-President MILWAUKEE MECHANICS' INSURANCE COMPANY

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Ass't Managers H. R. M. SMITH JAMES SMITH FRED. W. SULLIVAN EASTERN DEPARTMENT Newark, New Jersey

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PACIFIC DEPARTMENT San Francisco, California

60 Sansome Street W. W. & E. G. POTTER, Managers

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL-

# SECURITY FIRE INSURANCE CO.

DAVENPORT, IOWA

A COMPANY With Whom You Will Feel "AT HOME"



1883-1931

SURPLUS TO POLICYHOLDERS OVER ONE MILLION DOLLARS

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ROYAL EXCHANGE

THE STATE ASSURANCE CO., LTD.

**ASSURANCE** 

CAR AND GENERAL

INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane

New York

The A & H Review A monthly magazine for health and accident salesmen. \$2 a year.

at Marshfield and local agents in Janesville have announced plans for organiza-tion of a board there. Both Brodhead and Evansville agents have taken steps to become organized units as a part of the Rock County Board.

Fred J. Lewis, president of the Wis-consin association, and Mr. Grundle will

speak at a meeting of local agents at Horicon, Wis., Dec. 14, at the meeting of the Oshkosh Board Dec. 15 and at a meeting at Janesville at a later date.

#### Minnesota Membership Drive

ST. PAUL, Dec. 2.—An intensive campaign for new members will be conducted by the Minnesota Association of Insurance Agents Dec. 10-12. It is hoped to increase the present membership of 415 by about 50 percent.

ship of 415 by about 50 percent.

All eight vice-presidents and members of the executive committee were called to St. Paul a few days ago to map out the campaign. The drive will be carried on by districts of which there are eight in the state. The vice-president in each district will be in charge and will be assisted by present members.

The need of more members was stressed at the recent annual meeting in St. Paul, when it was pointed out that only a small proportion of the agents in the state are members, while all benefit from the work of the association.

#### Calhoun, Grundle at Beloit

BELOIT, WIS., Dec. 2.-W. B. Calhoun, president National Association of Insurance Agents, and J. G. Grundle, secretary-treasurer Wisconsin Association, were guests of honor at a meeting of the Beloit Board, attended by more than 50 agents from Beloit, Brodhead, Evansville and Janesville. Arrange-ments were in charge of W. J. Tucker, chairman of the Wisconsin association

executive committee.

Importance of local boards in the American agency system, their value to the insurance business, the company and the agent, as well as the assured, were emphasized by President Calhoun. As a result of his advice boards are being formed in all of the cities represented

outside of Beloit, where a board already

Mr. Grundle discussed organization ork, and pointed to the effort which work, and pointed to the effort which the Wisconsin association is making to have a 100 percent organization in this state, particularly in honor of Mr. Cal-

#### Wisconsin Act Not Retroactive

Misconsin Act Not Retroactive

MADISON, WIS., Dec. 2.—Although
in 1929 the Wisconsin legislature passed
an act making invalid the condition in
a fire policy against additional insurance, such act was not retroactive, the
Wisconsin supreme court decides in the
case of Filipkowski vs. Springfield Fire
& Marine. A policy taken out by the
plaintiff prior to the passage of the act
contained the condition against other insurance. The plaintiff took out an additional policy and after a loss the Springfield denied liability. The supreme
court ruled in favor of the company.

#### Will Inspect La Crosse

MILWAUKEE, Dec. 2.—The Wisconsin State Fire Prevention Association is making plans for its 1932 program. The first inspection of the new gram. The first inspection of the new year is to be held at La Crosse Jan. 20-21, under the auspices of the local chamber of commerce. H. K. ("Smoky") Rogers will be on hand.

#### Hibbing Agency Incorporates

The C. A. Nickoloff agency of Hibbing, Minn., has been incorporated with a capitalization of \$50,000. C. A. Nickoloff is president; Mirriam S. Nickoloff, vice-president and treasurer and Allen Lundquist, secretary. The agency was established in 1925 after Mr. Nickoloff resigned as assistant cashier of the Hibbing National Bank.

The **Dunphy Insurance Agency**, Milwaukee, has been incorporated by E. K. Dunphy, R. H. Dunphy, G. Hormuth.

Gordon S. Welshons has been named manager of the Stillwater Insurance Agency, Stillwater, Minn., succeeding the late Roy G. Staples.

#### IN THE MISSOURI VALLEY

Persistently Expensive Fires Raise Loss Ratio to Point Higher Than in Last Three Years

SIOUX CITY, IA., Dec. 2.—With four weeks to go, 1931 has already rolled up a fire loss ratio in this city more than double any for the last three years. First the American Popcorn Company caught the companies for around \$50,ooo, including use and occupancy. The Miller Oil Company, one of the most stubborn fires in the history of the city, involved about \$20,000 loss; the Jackson Hotel fire followed with \$25,000; the Davenport Cleaning Works in October added another \$25,000; the old Peavey-Grand Theater was a total loss this month with \$50,000 insurance on building and \$10,000 on contents, and Sunday fire destroyed nearly 150 automobiles in storage, including 40 new 1931 Chevro-lets, 30 new Willys and about 20 Hud-son and Essex new cars. The rest were son and Essex new cars. The rest were used cars. The building loss is around \$30,000. Newspapers claim the loss will run \$150,000. The Chevrolets were covered by the General Exchange and the building and other cars through local agencies. These fires, with numerous smaller ones, will probably bring Sioux City's total fire loss this year even with City's total fire loss this year, even with a good December record, to nearly

Miss Lucia Jones, daughter of R. Bryson Jones of the R. B. Jones & Sons agency, Kansas City, Mo., will be married Christmas day to Donnelly Christopher, Jr.

#### Losses in Sioux City Double Policy Is Ruled Not Invalid

Removal of Property Insured of No Importance Unless Contributing to Loss

Removal of the property insured from the place described in the policy does not invalidate the contract unless the breach contributed to the loss, the Nebraska supreme court has decided in Mayfield vs. North River. The North River contended that when

the Nebraska legislature of 1913 adopted the insurance code it was expressly stated that the New York standard policy should be adopted as the basis of a Nebraska contract. Admitting this, the court said that the legislation was the court said that the legislation was enacted subject to all other provisions of law inconsistent with or modifying the New York standard form. At that time and later the code was amended to provide that breach of a warranty that did not contribute to the loss could not be used to defeat the contract.

#### Kansas Field Groups Meet

The Kansas Fire Underwriters Association held its monthly meeting at Topeka, Nov. 27, followed by a dinner of the Kansas Blue Goose in honor of Earl Patton, state agent of the Northern Assurance, who has been promoted to assistant secretary.

#### R. A. Gamble Honored

WICHITA, KAN., Dec. 2.—R. A. Gamble, past president of the Central Kansas Field Men's Club, who has been

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promoted to an important position in the western department of the American at Rockford, Ill., was honored at a special meeting of the club last week. In behalf of the Kansas Blue Goose, Mr. Gamble was presented with a fountain pen desk set by C. E. Bleckley, most loyal gander and made an honorary life member of the field club. Carl E. Bailey of Crum & Forster presided.

A committee headed by Lakin Meade will work on the insurance business of Shawnee county and endeavor to have this business supervised by the local board, which now services the business of the board of education of Topeka.

Plan Lincoln Program

LINCOLN, NEB., Dec. 2.—A. B. Olson, chairman of the insurance sub-

#### Flynn Heads Upham Agency

DES MOINES, Dec. 2.—Frank P. Flynn has been elected president of Upham Bros agency to succeed the late S. W. Upham. Other officers are C. E. Snow, vice-president; Mrs. Anne M. Upham, second vice-president, and Hortense Minson, secretary. J. S. Upham was elected a director.

#### Missouri Chief Clerk Resigns

S. W. Pile. chief clerk of the Missouri nsurance department, has resigned, effective Dec. 31. Mr. Pile's resignation is the second in the department. J. F. Holland, deputy superintendent, is also

Holland, deputy superintendent, is also leaving the department Dec. 31.

Prior to entering the department as an examiner four years ago, Mr. Pile was with both the Missouri state finance department and the state treasurer's office. He became chief clerk of the insurance department after Superintendent Thompson took scharge. ent Thompson took charge.

#### Topeka Board Elects

TOPEKA, KAN., Dec. 2.—The Topeka Board at its annual meeting reelected Glenn Hussey president and J. L. Wikus, secretary. C. G. Blakely, Jr., is vice-president. The new executive committee in cludes W. R. Faulkner, chairman; Dan Studdard, Edwin Nellis, C. G. Blakely, Jr., and Glenn Hussey.

LINCOLN, NEB., Dec. 2.—A. B. Olson, chairman of the insurance subdivision of the Lincoln chamber of commerce has called a meeting of representatives of all Lincoln insurance companies and agencies for the purpose of formulating a program for the comof formulating a program for the com-ing year designed to emphasize the importance of insurance in the economic world and to advance its interests.

#### Thomas in Kansas City

KANSAS CITY, MO., Dec. 2.— Charles F. Thomas, secretary of the Western Underwriters Association, met with the executive committee of the Missouri Fire Underwriters Associa-tion here Friday. All members of the committee were present to discuss and outline a constructive program of activ-ities for the association during the com-ing year.

#### Nebraska Blue Goose Meets

Nearly 100 members of the Nebraska Blue Goose attended a meeting last week at Lincoln. H. W. Ahmanson of Omaha acted as toastmaster and ten new members were initiated.

#### Missouri Notes

F. D. Hess, assistant western manager of the American group, is spending the week in Missouri.

The Ball Insurance Agency, St. Louis, operated by L. Marshall Ball, has taken over the business of the Ball-Butler agency.

## STATES OF THE SOUTHWEST

Texas Agents Eyeing Risks from Standpoint of Ability, Willingness of Assured to Pay

#### By R. J. McGEHEAN

Local agents in Texas find that cotton and oil conditions have cut heavily into their premiums. Business already on their books has been very difficult to collect and collection duties occupy much of their time.

Business is now being selected with greater care. In past agents were willing to gamble on an assured, knowing that if they passed up the risk some other agent would give it a trial. Now unless clients are financially able to pay premiums within a reasonable time the business is rejected.

#### Galveston Plan Adopted

Some of the local boards have adopted the plan of the Galveston Insurance Exchange for reporting delinquent ac-counts to other members. The plan there is successful and no doubt is logical for any city. Each agent files a list of his dead accounts with the secretary of the board and the master list is available to all members. Any prospective assured appearing on this list is denied further insurance credit by the entire membership. Realizing that they are to be totally without coverage, clients usually make a sincere effort to pay their accounts and return to good stand-

The problem of losses in Texas is being given a great deal of attention by the agents. In all communities they are spreading the germ of caution around and endeavoring to convince policyholders that high losses mean high premiums. Unless something is done in cutting them there is bound to be a number of rate increases throughout the

#### More Discrimination Is Used | May Place Big Bridge Line

Dallas County Takes Under Advisement Rate Quotation of Seay & Hall Agency

The Seay & Hall agency of Dallas has quoted a rate of 30 cents per \$100 for coverage on six important bridges and viaducts in Dallas county against explosion, malicious damage, earthquake, collapse, lightning, ice, collision, strikes, riots, civil commotion, tornado and windstorm. The rate and the advisability of insuring have been taken under consideration by the commissioners' court. ers' court.

New quotations on explosion, malicious damage and earthquake alone and a separate quotation on collapse will be

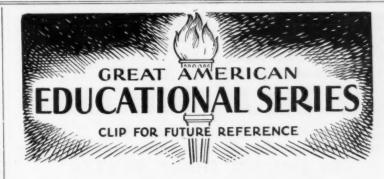
asked before decision is reached.
The new Irving-Fort Worth road bridge, a structure supported by concrete pilings, recently sank nearly two feet on one span, the repair bill being

3,500.
About \$2,750,685 in bridge and viaduct values would be covered by insurance under the present plan.

#### **Building & Loan Protest**

John G. Loving of Dallas, president of the Texas Building & Loan League, has written to The NATIONAL UNDERWRITER, protesting its report of recent hearings before the board of insurance commissioners in Dallas on applications for agents' licenses under the new law. THE NATIONAL UNDERWRITER correspondent stated that it developed at the hear-ing that many building and loan com-panies encouraged over insurance. "The evils of representatives of building and loan associations and automobile finance writing insurance were brought out by the complaining agents," the report went on to say.

"Why they should have jumped on building and loan associations, accusing



#### WHAT IS THE PURPOSE OF THE UNEARNED PREMIUM RESERVE IN A CASUALTY INSURANCE COMPANY'S STATEMENT

The company's liability under policies and bonds outstanding as of the date of statement continues thereafter. The company may take credit only for "earned premiums"-that part of the premiums which is proportionate to the insurance or suretyship provided up to the time of the statement. The remainder ("unearned premiums") must be reserved for losses and expenses certain to accrue upon these instruments between the date of the statement and the expiration of the premium period.

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Statement December 31, 1930

CAPITAL .....\$1,000,000.00 PREMIUM RESERVE ...... 1,276,758.29 OTHER LIABILITIES ..... 235,530.00 NET SURPLUS ...... 2,172,133.30 TOTAL ASSETS ...... 4,684,421.59

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch Manager Brokerage and Cook County Depts.

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them of encouraging over-insurance, is more than I can understand," Mr. Loving writes.

#### Urges Penalty Law Repeal

War against arsonists and repeal of the 12 percent penalty law are suggested by John W. Ricks, Arkansas state agent North British group, in an article on "Fire Prevention and Insurance Rates," published in the "Arkansas Banker," official publication of the Arkansas

Bankers Association. With reference to the law which imposes a 12 percent penalty on fire insurance cases carried into the courts for adjustment, Mr. Ricks declared no other business is so penalized. He calls on the public for assistance in tracking down arsonists.

Lower fire rates are sought by Holden-ville, Okla, which has filed such a peti-tion with the Oklahoma Inspection Bu-reau. Mayor A. W. Scott said that the water system has been considerably im-proved since 1923.

mittee on agency balance rules, although

its recommendation failed to pass as some members objected to certain provisions. Mr. Galloway recommended that the effort be continued until a satis-

factory set of agency balance rules is agreed upon.

President-elect Trigg entered the in-surance business Oct. 1, 1907 with the Dickinson & Trigg Agency at Glasgow.

He was elected to the state senate in 1915 and resigned in 1917 to serve in the

world war as major. In 1919 he went with the Southern Adjustment Bureau at Louisville and was with this bureau for a short while before becoming con-

nected with the Great American group

Fiber Charge Is Eliminated

New Dock Rates Are Approved by

Louisiana Commission With

That Exception

NEW ORLEANS, Dec. 2.—Lower rates submitted to the Louisiana insur-ance commission by the Louisiana Rat-

ing & Fire Prevention Bureau on dock property and commodities on the docks,

because of the installation of the sprin-kler equipment, were approved by the

commission, except that the commission cut out the charge of 10 percent for storage of combustible fibers. Chairman

against the dock insurance order of the commission. He also dissented from the text of the letter of the commission to Attorney-General Saint.

#### L. M. Ross Elected Chairman

Named to Head Tennessee Association Executive Committee-Ratify Loventhal Choice as Councillor

NASHVILLE, Dec. 3.—L. M. Ross of Gallatin has been elected chairman of the executive committed of the Tennessee Association of Insurance Agents, which also confirmed the selection of C. B. H. Loventhal as national councillor. Due to the pressure of other matters, no meeting of the executive committee was called in Knoxville, but by mutual understanding of the members Mr. Hess and Mr. Loventhal were chosen for the respective positions and the appointments unanimously ratified by letters from the various members re-ceived by W. I. Edwards of this city, new president of the association.

Mr. Edwards announced that a meeting of the executive committee is planned for some time in December to planned for some time in December to consider the Johnson City and Jackson, Tenn., bank agency situation and also to formulate and put into definite action plans for the three-year expansion pro-gram inaugurated at the Knoxville meet-

Copies of the resolutions passed at the Knoxville convention, Commissioner Reece's address, the new constitution and by-laws are being printed and will be mailed to all members of the association.

#### Real Improvement Reported

National Fire Protection Association Tells What Is Being Done at Nashville and Memphis

Engineers of the National Fire Protection Association report remarkable success at Memphis, Tenn., attending the campaign carried on by the fire department to reduce grass and brush fires. In the first year the number of such fires was reduced over 1,000 with consequent saving in the city in reduced consequent saving in the city in reduced loss and reduced fire department expense. At Nashville the engineers repense. At Mashvine the engineers re-port continued progress in fire preven-tion work. A cooperative campaign has been carried on during the last two years which the engineers feel will im-prove the past unfavorable record.

#### Nashville Adjusters Shift

NASHVILLE, Dec. 2.—H. V. Parrish, formerly special agent in Tennessee for the farm department of the North America and more recently with Davis & Hutchinson, Nashville ad-Davis & Hutchinson, Nashville adjusters, has resigned the latter connection to join R. E. L. Turner & Co., Memphis adjusting firm. Mr. Parrish will reside in Nashville temporarily but probably will remove to Memphis in the near future.

Joe Jenkins, who has for three years been an adjuster for the Travelers here, has gone with Davis & Hutchison. He is a graduate of the Cumberland University law school.

#### Field Clubs' Loss Committees

The Florida Field Conference has The Florida Field Conference has named as members of its loss committee R. W. Turner, Northern Assurance, Jacksonville, chairman; T. D. Lippitt, Royal, Jacksonville; E. C. Rohlin, New Hampshire, and C. A. Thornton, state agent Aetna, who is president of the conference and serves ex-officio.

conference and serves ex-officio.

The committee of the Alabama association is made up of W. G. Overton of Johnson, Overton & Co., Birmingham, chairman; A. J. Brame, general agent, Montgomery; E. C. Darling, state agent Aetna, Birmingham, and B. P. Smillie, special agent Fire Association, Mont-

gomery. Mr. Smillie is president of the state field men's organization.

The formation of special committees on loss adjustments by field men's organizations is advocated by the Fire Companies Adjustment Bureau, which specks the greation of such committees. seeks the creation of such committees in every state, with a view to securing constructive suggestions from field men in handling loss work.

#### Mt. Sterling Gets Reduction

FRANKFORT, KY., Dec. 2.—Rates in Mt. Sterling are to be reduced 5.8 percent on business property, and from 16 to 30 percent on residence property, as a result of the installation of new fire equipment and maintenance of full-time fire department.

#### Wade Addresses Kentucky Pond

R. C. Wade, deputy most loyal grand gander and most loyal gander of the Tennessee pond, was the principal speaker at the semi-annual meeting of the Kentucky Blue Goose, Nov. 27. Mr. Wade advised regular informal meetings, with a short talk on some subject testing. with a short talk on some subject pertinent to the business by someone acquainted with specific lines, or that a short course of lectures be given on some phase of the business.

"The outstanding act of our grand nest for the benefit of the members of the Blue Goose has been the group life insurance plan. It is regrettable that so few of the ganders have availed themselves of that privilege," he said.

#### Field Men Express Appreciation

The City Mortgage & Insurance Com-The City Mortgage & Insurance Company agency of Charlottesville, Va. is host every year at a golf tournament and banquet to special agents of companies represented in the agency. In appreciation of this, the agency was recently presented by the field men with a handsome plaque bearing the signature of each special agent and testifying to their appreciation of the hospitality of the agency.

#### New Appointment Cancelled

AUGUSTA, GA., Dec. 2.-C. L. Led-ACGUSTA, GA., Dec. 2.—C. L. Led-singer of Savannah, special agent for the Seaboard Fire & Marine of the A. H. Turner general agency, took up his sup-plies from the newly appointed agency of J. Gerald Mulherin upon learning that Mr. Mulherin made office headquarters with the Associated Mutuals.

#### Doubles October Premiums

M. D. Pepperman, general agent at Montgomery, Ala., for the Standard Accident and Globe & Rutgers, has received telegrams from the companies, congratulating him on a 100 percent increase in premiums for October, 1931, over the same period last year.

#### Kentucky Notes

George R. Douglas, LaGrange, Ky., has purchased the H. C. Black agency and will continue it under the name of the Douglas Insurance Agency.

A. C. Respess, partner with his brother. W. B. Respess, in the local agency of Respess & Co., Lexington, Ky., has been in a hospital for several days as a result of injuries suffered in an automobile accident near Covington, Ky., will hereafter operate as Mefertan & Powell. A. G. Powell has purchased an interest in the agency which formerly was operated individually by Mr. McFerran.

D. L. Huston of the Allen & Huston

Mr. McFerran.

D. L. Huston of the Allen & Huston agency, Bloomfield, Ky., has purchased the interest of C. Massie Allen in the agency and also purchased the Muir & Son agency, merging the two into one organization.

organization.

The Kentucky Actuarial Bureau has sent a warning to the city council of Danville to the effect that unless the city takes steps to remove from the center of the town what is known as the "Lococo Shack" the bureau will have to raise rates in that city. The objection is not to the goods carried but the type of the building.

#### IN THE SOUTHERN STATES

## Field Men Elect Trigg Head

Kentucky Fire Underwriters Association Holds Annual Meeting-Scott Is Elected Vice-President

LOUISVILLE, Dec. 2.—At the annual meeting of the Kentucky Fire Underwriters Association here last week American, was elected president, succeeding J. Grover Galloway, North British & Mercantile. E. F. Scott, Great American, was elected vice-president and Paul C. Grider, North British & Mercantile, was reelected secretarytreasurer.

Mr. Galloway, E. C. Knoop, Aetna; A. I. Macpherson, St. Paul; C. P. Thur-man, Hartford, were elected executive

committeemen.

Mr. Galloway detailed the past year's Mr. Galloway detailed the past years work. The most outstanding accomplishment was by a committee headed by Frank G. Snyder, Snyder Brothers General Agency, Louisville, in forming a local board at Ashland, Ky., which was badly in need of cooperation among agents. Mr. Galloway also complimented the work of the special com-



## FIRE EXTINGUISHERS

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storage of combustible fibers. Chairman Walmsley said the bureau would be directed to promulgate the new rates without the fiber charge and that, if the companies objected, their recourse would be to the courts. The action was taken by a 2 to 1 vote, John D. Saint voting against the elimination of the extra charge. Rush P. Strong, manager of the rating bureau; W. P. D. Bush, president, and Harry Dixey, its fire prevention engineer, attended the hearing. Mr. Strong said the matter will be submitted to the directors of the bureau at their meeting Dec. 8. Criticize Attorney General

The commission sent a formal letter to Attorney-General Percy Saint, scoring the ruling he has given as dilatory and conflicting and criticizing his action in fixing \$15,000 as the fee that he would approve for J. T. Prowell as special counsel of the commission in the recent rate litigation.

The commission set Dec. 10 for a public hearing on the petitions of W. H.

lic hearing on the petitions of W. H. Campbell and W. M. Railey for a review of sprinklered risks throughout the

Commissioner Saint has made public a statement of his reasons for voting

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#### ON THE PACIFIC COAST

Meet Dec. 9 to Vote on Constitutional Amendment to Include Earthquake Cover

SAN FRANCISCO, Dec. 2.-Recommendations made by a special com-mittee of the Insurance Brokers Ex-change and slightly amended by the Pacific Board, the brokers will meet Dec. 9 to vote on amendments to their constitution extending the jurisdiction of the exchange to earthquake insurance. The clauses of the constitution which have heretofore been directed to "fire insurance" will be amended to read "fire and earthquake insurance.'

This action is in accord with an agreement made by the Brokers Exchange officials with the Pacific Board to the effect that if the suggested changes were adopted as board practice the exchange would consider and endeavor to have its members adopt the constitu-tional amendments. With the brokers exchange taking over jurisdiction over earthquake the fire rate cutting and various undesirable practices which put the business in a poor and chaotic condition,

are expected to be eradicated.

President Charles H. Turner of the
Insurance Brokers Exchange sent out
a letter to all of the 700 members urging them to attend the meeting and vote in favor of the amendments.

#### Coast Lineup Is Rearranged

Recent Mergers Necessitate Changes in General Agency Representation of Corroon & Reynolds Companies

SAN FRANCISCO, Dec. 2.-Changes in the companies represented by Pacific Coast general agents of Corroon & Reynolds companies which have recently been merged with other companies in the same group have been approved by the general agency committee of the

the general agency committee of the Pacific Board.

H. M. Hinchman & Co., which was general agent for the Brooklyn Fire, will hereafter represent the New York Equitable Underwriters of the American Equitable and New York Fire.

Richards & Rhorer, who have been general agents for the Bronx, are to represent a new underwriter to be known as the Republic Fire Underwriters of the Globe & Republic Fire.

The Globe & Republic Fire, as the new company formed by the merger of the Globe and the Republic is now known, will be represented by the Woodward-Phipps General Agency, which has represented the Republic for some time. some time.

The Globe has been represented by H. F. Ahmanson & Co., of Los Angeles, as general agents for the state. The Globe Equitable Underwriters is its sucthat office.

The Independence Underwriters has The Independence Underwriters has also been formed to operate in San Francisco in conjunction with the branch office of the Independence Indemnity and W. Rae Dempsey, vice-president of the indemnity company, has been named general agent for the underwriters.

It is expected that further announcements regarding the Pacific Coast lineup of the Corroon & Reynolds companies will be made in the very near future. These changes follow the visit of E. S. Inglis, vice-president of Corroon & Reynolds, to San Francisco. Mr. Inglis is now in southern California, en oute to the head office at New York

Headquarters of the Los Angeles Fire Insurance Exchange are now at 924 Pa-cific National Bank building.

#### Brokers Consider New Rates | Consider Agents' Ultimatum

Northwest General Agents Take No Action on Seattle-Exchange Demands-All Officers Reelected

SEATTLE, WASH., Dec. 2.—The Northwest General Agents Association, meeting here, reelected its present officials. Evart Lamping, president of Lamping & Co., is president; C. M. Seeley, Seeley & Co., vice-president, and A. W. Whalley of John A. Whalley & Co., secretary-treasurer. The executive committee includes Evart Lamping, C. M. Seeley, John C. McCollister and R. R. Groninger.

The association members discussed SEATTLE, WASH., Dec. 2.-The

R. R. Groninger.

The association members discussed their relations with organized local agents of the state, particularly the Insurance Exchange of Seattle. There was considerable discussion of the activity of the Seattle Exchange in securing large lines of public business and the exchange's ultimatum to companies and agents in which it asks them general agents, in which it asks them to restrict their Seattle appointments to members of the local board. No definite action was taken, although the meeting was adjourned with the understanding that each member of the association would use his own discretion in complying with the request of the organized local agents.

#### National Board in Severe Criticism of Salem, Ore.

The gross fire loss for the past five years in Salem, Ore., is reported by the National Board as being \$891,834, with the average loss per fire \$1,760, "a very high figure," and the average loss per capita \$7.19, "a very high figure."

The water supply contains some un-

reliable features; adequate quantities for fire protection are generally available only along main arteries and in the principal mercantile district only at times of moderate consumption. The times or moderate consumption. The fire department is mainly well equipped but improperly administered, under-manned and poorly trained. The fire alarm service by telephone is slow and subject to error.

In the principal mercantile district, lack of fire retardant construction features in the ordinary masonry buildings, prevalence of large undivided fire areas, amount of frame construction and weakness in fire protection facilities, makes very probable the occurrence of block fires beyond control of the fire department. Mitigating features are the low heights, wide streets and the infrequency of high winds; the probability of con-flagration involving more than one block

#### Eastern Montana Experience Bad

BUTTE, MONT., Dec. 2.—Constantly increasing fire losses in unprotected towns and in the non-irrigated farm districts in the eastern section of Montana are given as the reason for a number of stock and mutual companies cancelling agency appointments in those communities or declining to insure farm property. Crop failures in Montana in 1931 were confined chiefly to the east-ern and non-irrigated parts of the state, contributing in part to the unfavorable loss ratio and moral hazard.

#### Credit Association Meets

LOS ANGELES, Dec. 2.—E. F. Holmes, president of the Insurance Credit Clearing Association of Los Angeles and branch manager here for the Indemnity of North America, presided at the annual luncheon meeting of the association, which was attended by representatives from practically every fire and casualty agency in the city. President of the Insurance Basket-ball League of San Francisco from the Springfield Fire & Marine quintet in two games. The Fireman's Fund Team Winner

Repeating its success of last year, the Fireman's Fund team won the championship series in the Insurance Basket-ball League of San Francisco from the Springfield Fire & Marine quintet in two games. The Fireman's Fund team won the championship series in the Insurance Basket-ball League of San Francisco from the Springfield Fire & Marine quintet in two games. The Fireman's Fund team won the championship series in the Insurance Basket-ball League of San Francisco from the Springfield Fire & Marine quintet in two games. The Fireman's Fund team won the championship series in the Insurance Basket-ball League of San Francisco from the Springfield Fire & Marine quintet in two games. The Fireman's Fund team won the championship series in the Insurance Basket-ball League of San Francisco from the Springfield Fire & Marine quintet in two games. The Fireman's Fund team won the championship series in the Insurance Basket-ball League of San Francisco from the Springfield Fire & Marine quintet in two games.

dent Holmes emphasized the very satisfactory conditions in southern California, created largely as a result of the efforts of the association, backed by the various branch offices and general agencies. F. E. Crosby, manager, reported that the new marine department of the association will probably begin to function Lan 1. function Jan. 1.

#### Install Arizona Blue Goose

J. Charles Harris of San Francisco, J. Charles Harris of San Francisco, past most loyal grand gander and now deputy most loyal grand gander of the Blue Goose, had charge of the installation of the Arizona pond at Phoenix. The charter was signed by 40 ganders. Proposed officers are: Most loyal gander, E. L. Thomas; supervisor, R. A. MacFarlane; custodian, A. K. Perry; guardian, J. B. Hall; keeper, Wallace Perry; wielder, R. G. Wigely.

#### Decker Heads Fire Patrol

Ray Decker, general agent Home of New York, who has been vice-president of the Underwriters Fire Patrol of San Francisco, has been elected president to fill the vacancy created through the resignation of H. P. Blanchard of the resignation of H. P. Blanchard of the Fireman's Fund. Mr. Blanchard was president of the patrol. T. H. Anderson, Pacific Coast manager L. & L. & G., succeeds Mr. Decker as vice-president. E. T. Cairns, vice-president Fireman's Fund, has been elected to the board of directors,

#### Stage "Old Timers' Night"

LOS ANGELES, Dec. 2.—The annual "Old Timers' Night" of the California Blue Goose will be held here Dec. 4. C. P. Taylor of the T. V.

Humphreys agency is chairman of the arrangements committee.

V. D. Bangs of the America Fore group won the November golf tournament of the California pond. Roy O. Elmore, Fireman's Fund, had low net and J. L. Biglen of San Francisco, a vicility member of the San Francisco. visiting member of the San Francisco pond, third. The blind bogey prize was won by Jay Jacobs.

#### Regional Meetings Planned

Frank Colridge, executive secretary of the California Association of Insurance Agents, spent last week in southern California visiting local associations in that section. While there Mr. Colridge went into the matter of appointment of regional chairmen. These chairmen will be appointed principally to stimulate attendance at the series of regional week. tendance at the series of regional meet-ings which are being planned for all sections of California shortly after the first of the year.

#### Auto Talk to Blue Goose

SAN FRANCISCO, Dec. 2.—Earl. Weller, vice-president of Campbell-Ewald Co., was the speaker at the luncheon of the San Francisco Blue Goose on Nov. 30. Mr. Weller, who was formerly editor of the "National Motorist" and publicity director for the National Automobile Club, will have as his subject "The Motor Car of 1932."

#### Castle Returns to Field

Theodore Castle has been appointed special agent in southern California and Arizona for Chapman & Co., succeeding David Lentz, recently resigned. Mr. Castle was formerly with Chapman & Co. as special agent in that territory and has since been a member of the Castle-Mulick Agency. Long Beach, Cal.

#### Fireman's Fund Team Winner







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#### EASTERN STATES ACTIVITIES

Brought About Rate Reductions in Many Cities

The State Conference of Mayors in New York has announced that through the efforts of a committee reductions fire insurance rates on municipal prop-erty averaging 20 percent have been obtained.

"What the total savings will be in all municipalities," the conference declares, "the committee is unable to determine at this time, but in 12 representative cities, which include Syracuse, Ithaca, Buffalo, Oneida and Binghamton, an annual saving in premiums is reported.

amounting to \$44,000."

The committee which made the investigation consisted of Mayor Boyd, Bing hamton; McLaughlin, White Plains; Platt, Rye; Bertholtz, Ithaca and Clarke, Gloversville.

#### New Jersey Losses High

NEWARK, Dec. 2 .- New Jersey November fire losses are estimated at \$1,-235,000, compared with \$600,000 in November, 1930. There were several serious losses the latter part of the month, including a church at Plainfield, \$250,-000; factory, Passaic, \$150,000; New Jersey Agricultural Experiment Station, \$200,000.

Adjusters and company executives say this year has been one of the worst in the history of New Jersey for dwelling losses, although mercantile losses have been comparatively small. November was the worst month of the year.

#### Daelhousen in New Job

J. A. Daelhousen, formerly assistant secretary of the National Union in charge of its automobile department, has joined the Logue Brothers & Co. agency in Pittsburgh.

#### Form Mutual Adjustment Bureau

BALTIMORE, Dec. 2.-The Maryland Mutual Adjustment Bureau has been incorporated by Joseph W. Miles, Marion Elliott and Edith Ijams of this city. Mr. Miles will be the resident agent. Mr. Miles says the incorporators all have had insurance experience, especially in five insurance. cially in fire insurance.

#### Hurley Named Fire Marshal

BOSTON, Dec. 2.—James M. Hurley, former mayor and postmaster of Marlboro, has been appointed state fire marshal of Massachusetts by Governor Ely, to succeed John W. Reth.

#### Deisseroth Lockport Speaker

LOCKPORT, N. Y., Dec. 2.—Albert C. Deisseroth of Syracuse spoke before the Lockport Board of Fire & Casualty Underwriters at its meeting this week, discussing premium collection methods. Mr. Deisseroth formerly was secretarytreasurer of the Syracuse Underwriters
Association. W. George Dickenson,
president of the Lockport board, presided at the meeting.

#### Branch Offices Moved

The Philadelphia branch office of the fire companies of the Royal-Liverpool & London & Globe group and that of the Globe Indemnity have been moved to new and larger quarters at 436 Walnut street. There are no changes in managerial supervision.

#### Jersey Field Club Dinner

CAMDEN, Dec. 2.-An educational dinner will be given by the South Jersey Field Club here Dec. 7. It is expected that at least 300 will attend. The

N. Y. Mayors' League Busy

Conference Group Claims to Have
Brought About Rate Reductions

Principal speakers will be Harold G. Hoffman, motor vehicle commissioner of New Jersey, and Leon Watson of the Schedule Rating Office of New Jersey, who will discuss "Unprotected" sey, who will discuss "Unprotected Properties in New Jersey and the Re-vised Rule Book."

#### Important Arson Conviction

BOSTON, Dec. 2.-Isadore Rabinovitz, president Independent Importing Company, a prominent and wealthy figure in the importing grocery trade, has been sentenced to sever trade, has been sentenced to serve two and one-half to three years in the state prison on conviction of being accessory before the fact to burning the building of another and accessory before the fact to the burning of goods and wares with intent to defraud. The conviction and sentence is one of the most important in the history of the campaign against arson in the city of Boston.

#### Eastern Notes

T. M. Kirk and F. W. Cleland have opened a general insurance agency at Hamburg, N. Y.

Having represented the Home as local agent for 50 consecutive years, G. R. Smith. Woonsocket, R. I., has been presented with its gold service medal.

In recognition of 25 years continuous representation of the Franklin Fire of Philadelphia, one of the Home group, W. Peters and E. N. Sorgenfrei of William Peters & Co., local agent at West Farms, N. Y., have been awarded silver service medals by the company.

## Mountain Field Activities

#### Volume Drops 12 to 15 Percent

Field Men and Agents Conserve Business by Vigorous Methods in Mountain Field

DENVER, Dec. 2.—The premium volume in the Mountain field for 1931 will run from 12 to 15 percent under 1930, it is estimated by prominent field men. Vigorous activity of state and general agents has prevented a much worse showing, it is believed, and they have held much business on the books for short periods where business could for short periods where business could not be held for three and five-year terms on account of depressed business con-

Competition of the mutuals has been keener since business fell below normal, and these have captured a substantial and these have captured a substantial amount of premiums with their claims of a 25 percent saving to the assured. Most general agencies in the Mountain field probably will show a larger premium volume than in 1930 for nearly all have added new companies with established businesses in this territory.

#### McIlvain Sells Agency

W. F. McIlvain, Carlsbad, N. M., who has been in the insurance business many years, has sold his agency to C. F. Montgomery. The agency represents 27 companies.

#### Swearingen Talks on Inspections

Ray E. Swearingen, Pacific Coast engineer of the America Fore group, ad-dressed the associate members of the Fire Underwriters Association of the Pacific on Dec. 1, on "Special Agents' Inspections."

#### Mountain Notes

W. H. Abernathy, Roswell, N. M., proprietor of the Pecos Valley Realty & Insurance Co., died suddenly, Nov. 22.

writers Association, is attending the staff meeting of the National Automobile Underwriters Association at Atlanta.

Denver visitors last week included Roy E. Eblen, Wichita, Kan., president Central States Fire; A. N. Lindsay of San Francisco, vice-president California Fire, and G. L. A. Lauer, with the Fire Companies Adjustment Bureau, Scattle.

# Canadian Field Happenings

#### Losses 58.11% for Five Years

Favorable Experience on Protected Risks in Canada Offset by 85.2 Percent Farm Losses

OTTAWA, Dec. 2 .-- An analysis of fire insurance premiums and losses in Canada in 1930 and in the five years 1926-1930 has been compiled. The business is divided into 27 classifications, covering more than \$55,000,000 of premiums in 1930 and over \$279,000,000 in the five-year period. The average loss the nve-year period. The average loss ratio in 1930 was 58.11 percent and for the five-year period 49.75 percent. Losses on sprinklered risks were 46.4 percent for 1930 and 36.09 percent for the five years, making a favorable showing.

The value of fire departments is exemplified by the experience on dwellings, those in protected cities, towns and villages in 1930 having produced a loss ratio of 46.4 percent, while dwellings in unprotected municipalities suffered a loss of 69.99 percent. Similarly the loss ratio in protected municipali-ties for the five-year period was 46.09 percent, against 60.23 percent in unprotected towns.

An unfavorable experience on farm risks is indicated by the loss ratio on "all other dwellings and farm property" of 85.2 percent in 1930, and 74.46 percent for the five years, with premiums in the latter period of over \$15,000,000.

The loss ratio for the five years wind.

The loss ratio for the five-year period on sawmills was 70.71 percent, on boot and shoe factories 107.06 percent, and on tanneries 182.56 percent. These classes show consistently high loss ratios, whereas the loss ratio on pulp and paper mills, pork packing houses, breweries, lumber yards, unclassified mercantile risks and machine shops was favorable.

#### Canadian General Changes

J. M. H. Langford, assistant manager of the Canadian General and Toronto General at Vancouver, has been trans-ferred to a similar position in Winnipeg. B. W. Carr, who was formerly assistant manager at Winnipeg, has been trans-ferred to the head office in Toronto.

#### Form New Manitoba Mutual

WINNIPEG, Dec. 2.—The Canada-West Mutual Hail has been incorporated under a Manitoba charter to write hail, tornado, windstorm and plate glass in-

#### International Is Liquidating

The International Insurance Company of Montreal has been placed in liquida-tion. The company operated under a Quebec license and commenced business in 1927. The trustees are V. Lamarre

#### Opens Montreal Marine Office

The Alliance of Philadelphia has opened a marine department at its Montreal branch and has appointed S. K. Nesbitt as supervisor. This department will handle both ocean and inland marine lines. marine lines.

#### Canadian Notes

The County Fire of Philadelphia has appointed J. O. Miller & Co. as general agents for the province of Alberta.

G. O. Jones has been appointed inspector in Ontario for Massie & Renwick. He was formerly with the Royal Exchange. tor in He was change.

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## MOTOR INSURANCE NEWS

No Theft Under Auto Policy

Insurer Is Not Liable When Friend Takes Care of Drunk's Automobile

When a friend takes possession and takes care of a car, whose driver is in-capacitated by drink, there is no larceny within the meaning of the statute, no

theft within the terms of the policy, the Colorado supreme court decided in Union of Canton vs. Robertson.

The automobile of S. R. Robertson was insured against theft in the Union of Canton. Robertson gave his son permission to use the car. No express mission to use the car. No express authority was given by Robertson to his son to let any one have the car. Young Robertson met some friends, including one Carlson, and a young wo-man, whom he met for the first time, and went to the apartment of William Cosgriff. There was drinking and the young woman asked to be taken home. Young Robertson was at the wheel, drunk.

Went to Apartment

Instead of going toward her home, he went in the opposite direction and wound up at the Wheelock apartment. On the way the automobile collided with other automobiles. Wheelock apartment, the young woman decided to go home. Young Robertson was too drunk to take her there. Carl-Young Robertson son got the automobile key from young Robertson's overcoat pocket and took her home. After taking her home Carlher home. After taking her home Carlson got into his own automobile and drove in it to the Wheelock apartment, where he stayed with Robertson the rest of the night. Robertson's automobile was returned to the Wheelock apartment by a garage attendant. It was found to be damaged and the key was on the floor of the automobile.

The Colorado supreme court held that in taking the young woman away from the apartment and to her home, Carlson merely did what consideration for her, young Robertson and for the insured himself required and what common decency demanded. In the circumstances, consent if necessary, may well be im-

Shaping Comprehensive Form

To Be Issued in East in January When New Rate Manual Is Out

NEW YORK, Dec. 2.—Use of a comprehensive automobile policy in the eastern jurisdiction having been sanctioned by the National Automobile Underwriters Association at its annual meeting, the form of contract is being carefully scrutinized before its filing with the insurance departments, providing it be officially approved. The policy will be placed on sale when the new rate manual is issued, probably about the manual is issued, probably about the middle of January. It is believed that liability will be ex-

cluded for "loss of use, depreciation, and wear and tear (unless it is the result of some covered loss) mechanical or elec-trical failure or breakage, freezing and damage to tires." Also excluded will be damage to tires." Also excluded will be pilferage of tools, robes and personal effects, war risk, conversion or confisca-

Damage to the automobile itself as the result of collision will be covered probably with a \$50 or \$100 deductible as the assured may elect.

The comprehensive contract in short will provide under one cover and for a single premium "for all reasonable hazards or perils to which an automobile is subject, and without separate and spe- B. C.

cific enumeration of all these perils. Not quite an 'all risk' policy but as close to it as human nature and cost price will permit."

After Auto "Service" Concerns

RICHMOND, Dec. 2.—The Virginia corporation commission holds that automobile service contracts and similar contracts agreeing to prosecute or defend suits growing out of motor car acci-dents and also to offer rewards for the arrest and conviction of automobile thieves come under the insurance laws. Commissioner Bowles has been directed to notify persons, firms or corporations making such contracts of the commission's ruling and to report any that fail to desist from such activities unless they are qualified to engage in the insurance

Form Dealers Finance Company

LOS ANGELES, Dec. 2.—The Dealers Finance Insurance Company of Los Angeles has been organized with \$100,-000 capital to write credit insurance for automobile dealers only, covering the hazard of repossession of cars sold on the installment plan. It is reported that the company is backed by the National Finance Reserve Corporation of Dela-ware, Wes Stephens & Co. of Los Angeles, its Pacific Coast representative, and a Los Angeles group headed by Bert Bane, former president of the As-sociated Life, the name of which was changed some time ago to the Los Angeles Life. For the present its business will be confined to California and handled under the direction of Stephens

The State Farm Mutual Automobile, Bloomington, Ill., has been licensed in Arkansas.

MARINE NEWS

Inland Marine on Increase

Pacific Northwest and Mountain States Conditions Especially Good, A. B. Knowles Reports

SAN FRANCISCO, Dec. 2.—Despite the entrance of new companies into the territory the Pacific northwest and mountain states show a steady increase mountain states snow a steady increase in inland marine and all-risk business this year over 1930, according to A. B. Knowles, Pacific marine manager of the St. Paul Fire & Marine, who has completed a month's survey of conditions in that section. that section.

Mr. Knowles accounts for the increase as being due to the campaign waged by the companies, which has had the effect of bringing to the attention of the public a form of insurance that knew little about. "It has served to create new business, with benefit to all concerned," he says.

The recent "jump" in wheat and silver has served to put "new life" into the people of the districts in the terri-tory affected, says Mr. Knowles. He declares that a spirt of optimism now prevails. He feels this spirit will be maintained in spite of a probable drop in the two commodities. "People are beginning to realize that optimism is a big aid in overcoming the present situahe says.

The trip was made in the interests The trip was made in the interests of the St. Paul Fire & Marine and the Northern Assurance, which recently appointed Mr. Knowles general agent of the inland marine department. He visited Oregon, Washington, Montana, Colorado, Utah, Nevada and Vancouver,

Div

# The Silver Lining

Certain Gratifying Features Arise Out of Times of Stress. In Connection with the Casualty Insurance Business, Policyholders, Agents and Companies Learn Various Helpful Lessons.

The policyholder has a greater realization of the benefits of sound insurance protection and desires to improve and extend such protection as rapidly as his finances will justify. Therefore, we believe that from now on sound insurance will be bought more extensively than ever before.

The agent during times of stress realizes more than ever the desirability of a connection with a sound, well - seasoned company. During the flush of prosperous days it is easy for an agent to be beguiled by special financial inducements, cut rates or other unsound practises which seem to give to him at least momentary advantage. He persuades himself that if things do not work out as happily as expected he may quickly secure another company connection, overlooking the fact that obligations under casualty policies are long drawn out and that he may have worries and perhaps substantial financial loss through even a short term association with the "opportunist" company.

The company during times of stress realizes more than ever that it should not rely upon investment profits, but should strive to make a fair profit on its underwriting operations. The need for sound practises, proper economies, efficient employees and capable management is emphasized.

The United States Casualty Company has weathered eight major and four minor depressions during the past thirty-six years.

It has gained much through this experience. During the stress of the past two years of course it has trimmed its sails to meet various adverse conditions and in order to be in a position to take full advantage of the situation as business conditions improve. During such time many factors have been most gratifying to the company: - the unswerving loyalty of its agency organization; the whole-hearted support of its stockholders; the friendly attitude of its competitors and the many splendid tributes of the National Association of Insurance Agents (more than one hundred new agents have joined the company during the past ninety days).

Looking into the years ahead, we believe that agents will appreciate more than ever that in selecting their company connections they should be guided not by improper commission inducements, not by temporary advantages through unwarranted "special" rates, but by consideration of the record and practises of the company. They will understand better that they should consider also the management of the company, the grade of securities it holds, the personnel of its Board of Directors, its reinsurance arrangements, its underwriting attitude, its claim organization and finally its relations with the National Association of Insurance Agents.

We cordially invite inquiries from agents interested in becoming members of our agency family.

EDSON S. LOTT, *President*United States Casualty Company
80 Maiden Lane, New York, N. Y.

# The National Underwriter

December 3, 1931

#### CASUALTY AND SURETY SECTION

Page Twenty-nine

# Reserves Issue May Be Up Next

Diversified Action of Companies on Disability Seen as Prime Factor

HINT ON NON-CAN ACTION

Rate Boost of 50 Percent Expected from A. & H. Carriers-Keen Competition Forecast

The decision of more than 50 life companies one way or another on the disability income clause, either for elimination or sharp restriction, by no means has solved the problem. Several significant angles to the troublesome question stick out like sore thumbs at this

The end of the year finds disability action shaping very well, with the majority of the companies withdrawing from the clause (either through official or informal announcement) but a sub-stantial minority has not as yet pledged itself to a disability program, rather, refusing to retreat until they have satisfied themselves this important cover cannot be offered on some sound, conservative basis.

#### Reserve Issue Bobs Up

The few "billionaire" companies which have withdrawn, such as the Metropolitan, Prudential, Travelers, Mutual Life of New York, John Hancock, New England Mutual, etc., not only have exerted tremendous influence on the rank and file of American and Canadian companies, but it is barely possible that by so doing they have raised a hitherto un-foreseen allied issue which will disturb the business for a time—that of proper

Although the president of one large company has besought his agency force not to make capital of the fact that his company is retaining the income clause on a restricted basis nor to make any odious comparisons, it is certain that many agents on both sides will do so.

#### Product of Competition

It is believed inevitable that many agents of those companies which are re-taining the income clause will use this fact as a strong sales point, and just as surely the companies which are discon-tinuing the clause will defend their action by saying that any company that refuses to retreat from the staggering

retuses to retreat from the staggering disability losses which have been experienced in the last few years, is apt to get in financial difficulties.

The constant competition it is believed will not end merely in these skirmishes between field forces but will manifest itself in an official action of decrease significance.

deeper significance.
As the situation is analyzed this week by one well-known executive (whose company, it should be made clear, very probably will retain the income clause on a restricted basis), it is inevitable that should be made public, but it is believed to surely will be required at those times to doubted rate advance which they will furnish the department a statement as to whether an inter-relation exists been made public, but it is believed to tween it and the compensation carrier.

# Reform Move General in Accident-Health Field

Casualty companies during the last year have been confronted with numerous problems and the various classes have been subjected to a thorough resonance of the companies writing rail-way franchises, etc. to agree among themselves on certain fundamentals. In the commercial accident field, companies view and searching examination. Comview and searching examination. Companies are not disposed to continue writing this line or that when there is no profit in it. High commissions and competitive strife have worn off the covering from the road entirely. Liberality in policy provisions has been carried to the extreme. One company would in the extreme. One company would in-troduce a new wording which would seem to give an assured a better advan-Immediately its agents would go out and endeavor to replace business of other companies. This competition re-sulted in more and more hazards besulted in more and more hazards being covered and no additional premium being charged. In various ways the accident business has been shot to pieces. Now an effort is being made through the Bureau of Personal Accident & Health Underwriters, the informal conference of so-called quarterly premium

have found their loss cost mounting be-cause more claims are being filed and the principal sum indemnity ratio has increased materially. This is due to automobile deaths and suicides which were claimed to be accidents and where suicide could not be proved. There is suicide could not be proved. There is now a tendency to check up and cooperate on some fundamental practices that spell safety. In days gone by accident insurance was one of the most desirable classes to write. In due season however the profit was cut out of it and during the last two or three years it has been conducted at a loss. The companies found that the health end of companies found that the health end of the contract was the hot one until they settled down, eliminated life indemnity, restricted coverage, increased their rates and used more intelligent underwriting. Even now few of them want it.

some very large company which has re-linquished the clause will point out to some insurance department—very probably that of New York— that something ought to be done about increasing the disability reserves for those compa-nies which are staying on this clause.

#### Expect Department Action

seems probable that the majority of the life companies will discontinue the clause, and if and when this results, with the admission that disability cannot the admission that disability cannot be written, at least by them with all their long underwriting experience, except at a loss, it is believed to be a natural corollary that insurance superintendents will require higher disability reserves. It is believed this will apply not only to the so-called "healthy lives," "morbidity" and "deferred liability" reserves, but also to the "disabled lives," or claim reserves.

As the executive analyzes the situation, those companies which have discontinued or are doing away with the disability income clause, may be ex-pected to call the insurance departments' attention to the matter of reserves, since this is a logical defense in the compe-tition which certainly will arise over disability.

#### May Be Major Issue

It is believed certain that it will not be very long before this issue of re-serves will come strongly to light in the business, and the executive mentioned believes equally that the Insurance de-partments will call for sharp increases in reserve standards. Non-cancellable accident and health

companies continuing on this cover have companies continuing on this cover have made no definite announcement as to their plans, but it is understood that they may be expected to drop the limits of monthly income risk on a single life from \$500 to \$300, with participation limits reduced from \$1,000 a month to \$750. Of greater importance is the understanding the state of the state

certain that the non-can companies will raise their rates more than 50 percent of the present gross.

Other changes which they are confidently expected to make will be refusal to accept any applicant after age 50 and a continuation of the three months' waiting period, a form on which more than 80 percent of non-can appears to be written.

This latter anticipated action is in

sharp contrast to the practice of those life companies which are continuing the disability income clause in raising their waiting period from four months to six

It is to be noted that most life companies are dropping their age limits for income and waiver disability from 55-60, respectively, to 50-55. This action cuts out all applicants after age 50 for dis-ability income and eliminates all claims (CONTINUED ON PAGE 33)

#### Stiffer Bond Requirements for Compensation Carriers

Commissioner Van Schaick of New York has announced that bonds of surety companies guaranteeing the operation of foreign compensation carriers in New York will not be acceptable if the surety company is so related to the compensation carrier that conditions affecting the security of one will probably affect the other. The purpose of the law requiring bond of compensation carriers, according to Mr. Van Schaick, is to afford the protection from a prin-cipal insurer and also from an unre-

cipal insurer and also from an unre-lated surety to the extent of the statu-tory provision.

Bonds of this character, according to Mr. Van Schaick, will hereafter be in-spected and reviewed Jan. 1 of each year as well as at the time of filing. The surety will be required at those times to furnish the department a statement as to whether an inter-relation exists be-

# **Acquisition Cost** Still Big Issue

Important Meetings Will Be Held This Week and Next on Subject

LITTLE PROGRESS FOUND

Committee Is Now Working on the Classification of Agencies, Hoping to Evolve Formula

NEW YORK, Dec. 2.-This week and next will be important casualty and suretywise since some of the special committees of the acquisition cost conferences will meet, to be followed by general meetings of the two conferences. Some leading officials are frank to confess that in their opinion, no progress is being made owing to the almost superhuman task of harmonizing differences among aggressive companies. Others see a ray of hope. Still others say the New York department will show its teeth unless acquisition cost is reduced or at least stabilized. There has been much discussion as to how far the department can go in dictating to com-panies as to what they shall do outside of New York, especially in view of the recent decision in the state over the ruling of the insurance department that a factory mutual of Rhode Island whose charter is broader than allowed New York companies could not be licensed in this state. The court held against the department. This would seem to indicate that extra-territorial power is curtailed.

#### Establishing Maximum Ratio

Some company officials contend that the state department could set a maximum expense ratio or perhaps a top acquisition cost ratio and require companies to operate within that range, allowing each company or organization of companies to regulate details. This would follow the life insurance practice where each company can have as many general agencies as it pleases but it must keep within the required limits. This allows a company to distribute its cash as it wills but it is held to account for the final figures.

The casualty and surety companies have run to the extreme in paying top commissions and granting liberal per-quisites to local agents, purely pro-ducers, but calling them general agents. Thus the term "general agent" means an office that is getting the maximum commission. Some one else renders the service which should be done by a genuine general agent and thus the cost

of getting and handling the business is unduly increased.

The state itself is only interested in keeping acquisition cost, as one of the important component parts of the rate, within reasonable limits so that the pub-

(CONTINUED ON PAGE 33)

#### Much Overstepping Bounds in Casualty Competition

MUCH COMPLAINT IN CHICAGO

Companies Observing Rates and Rules Find Others Running Loose in Their Greed

Chicago casualty men are complain-ing very severely of a large number of companies seemingly ignoring all stand-ards of good practices and rates. Notwithstanding the punishment that com-panies have taken and more that is before them, a number of companies seemingly are grabbing at business especi-ally anything that has a juicy premium attached to it. There is a lot of shop-ping going on, probably more so than ever due to the desire of the assured to cut down his insurance cost. However it is generally agreed that there would be no difficulty in companies securing full rates especially on compensation if they desired to.

#### Attack on Profitable Risks

The great attack is on business that is known to have been profitable. When risks of this kind get on the market there is sharp bidding for the insurance. Company men that are adhering quite closely to the beaten path say that there is lively competition for any risk that has a good record. There are three has a good record. There are three factors entering into this competition. First is the desire of the assured to cut down on his insurance cost, next are the companies that are eager to get pre-miums and third, are brokers and agents are equally as avid in their effort to hold accounts and get new ones. companies that are adhering pretty closely to good practices say that the difficulty is not the weaker companies are offering lower rates and liberal inducements but some of the larger insti-tutions are after the business and mak-ing offers of all kinds.

#### Bus Bureau Is Not Yet Out of the Conversation Stage

NEW YORK, Dec. 2 .- Although conversations between representatives of three medium sized casualty companies have taken place looking to the forma-tion of an arrangement for writing bus business, no decision so to do has yet been reached, and it is questionable whether it will, at least not until con-ditions in the general underwriting field

ditions in the general underwriting field improve materially.

The public liability hazard on bus lines was largely assumed by the Associated Companies until the dissolution of that body in 1928, since which time the business has been written individually by a number of the larger institutions. Generally speaking the record on the class has been very unsatisfactory, company after company abandontory, company after company abandon-ing the line after trying it for several

Not only is the aggregate potential liability large, but in the event of acci-dent, claims for alleged injuries were filed at times two or three years after the happening; claimants asserting that they were passengers in the bus when the accident occurred, sustaining injuries thereby which did not develop until long afterward. As the burden of dis-proof lay with the carrier, the latter usually had to pay, though ofttimes be-ing skeptical as to the legitimacy of the

#### Must Insure Maryland Taxis

BALTIMORE, Dec. 2.—All taxicab owners must show that they have taken out property damage and liability insurance before the motor vehicle commissioner will issue 1932 license plates, under the new taxicab regulation bill passed by the last legislature, effective Jan. 1.

#### Must Reduce Automobile Accidents or Raise Rates

SAN FRANCISCO, Dec. 2.—Commenting on statistics which show a marked increase in the number of automobile accidents in California, C. W. Fellows, president of the Associated In-demnity, says this condition, together with the existing high cost in the settle-ment of claims, is of considerable con-

cern to the insurers.

"The companies are faced with the possible necessity of increasing rates to a prohibitive figure or combining with other instrumentalities in a vigorous campaign to reduce the frequency of accidents," said Mr. Fellows, who points out that "those injured nowadays are often persons out of employment. Others are persons who have suffered heavy personal losses, a condition which quite naturally increases the tendency to capitalize injuries by the making of unasually heavy damage demands." other instrumentalities in a vigorous

Figures given out by the California Highway Patrol show that accidents for the first nine months increased 3,260 or 14.66 percent over the corresponding period of 1930. The number of persons injured increased 5,761 or 19.38 percent and the number of deaths increased 224 or 13.38 percent.

#### Affirms Rule Charitable Hospital Is Not Liable

The Nebraska supreme court has affirmed the decision of the lower court affirmed the decision of the lower court that a charitable institution conducting a hospital solely for philanthropic and benevolent purposes is not liable to inmates for the negligence of nurses. The case was Sibilia vs. Paxton Memorial Hospital of Omaha.

Mrs. Catherine Sibilia sought to recovered expressions and the sole have been seed.

Mrs. Catherine Sibilia sought to recover damages alleged to have been suffered by a burn caused by the negligent placing of a hot water bottle. Mrs. Sibilia argued that because the hospital carried liability insurance, a fund out of which damages may be paid is created, and hence the rule of law exempting from liability a charitable hospital for negligence of agents and servants, is suspended. The supreme court noted that Mrs. Sibilia paid the Paxton wants, is suspended. The supreme court noted that Mrs. Sibilia paid the Paxton Memorial Hospital for services rendered, that the hospital was not organized for profit; that no dividends were to be paid upon the stock, and that no benefits out of the fund were to accrue on account of membership. The articles of incorporation provide that "the only persons who shall receive any remuneration out of its funds shall be managers, employes, nurses, superin-tendents, teachers and those who actu-ally render full service therefor"; that any surplus accumulated beyond its needs was to be paid over to other Nebraska charities.

The court said that the case comes within the rule announced in Duncan vs. Nebraska Sanitarium & Benevolent Association, 92 Neb. 162, which was later discussed in Marble vs. Nicholas Senn Hospital Association, 102 Neb. 343, and in Malcolm vs. Evangelical Lutheran

Hospital Association, 107, Neb. 101.

The overwhelming weight of authority supports this rule of law, according to the court, although there is great disagreement upon the reason for the rule.

#### Guest Case Thrown Out

OLYMPIA, WASH., Dec. 2.—In the case of Marie Trovo vs. Tovil Trovo, Superior Court Judge Hunike ruled that under the laws of this state a mother can not recover damages from her son through his insurance company should through his insurance company should she be injured while riding as a guest in her son's car. The Associated Indemnity was the insurer. It was further stated that under Washington law a guest, in order to recover from his host, must prove gross negligence on the part of the host.

#### Write Aviation Accident to Supplement Life Cover

Aviation Death Hazard Can Be Handled Best in Casualty Contract-Combination Used Effectively

NEW YORK, Dec. 2.—The aviation accident policy, covering only the aviation death hazard, is finding increasing sale as a solution for the life insurance sale as a solution for the life insurance problem of the man who contemplates doing considerable flying either as a passenger or a pilot. The aviation hazard can usually be covered at an additional rating under a regular life contract but the relative infrequency of such risks makes it difficult for most life companies to determine the exact hazard involved in each case. Hence it is necessary, in order to play safe, to make essary, in order to play safe, to make any possible error on the side of too high a rating rather than too low. The life company is also at the disadvantage of writing a non-cancellable contract, with the realization that a policyholder's aviation activities will probably increase by an indeterminate amount in the fu-

#### Supplement to Life Policy

Where the aviation accident contract where the aviation accident contract is used the practice is to write it as a supplement to the life policy, the latter containing the aviation exclusion clause which has already been declared valid in New York and in most other states. There are two forms of exclusion riders. one excluding all aviation deaths, the other excluding aviation deaths while the assured is riding other than as a fare paying passenger. Less than a dozen states have refused to allow the validity of both forms, but in only two of these, Illinois and Texas, is the law so definite that it could not be construed as admitting them.

While the accident policy is of course cancellable, it can for that reason be written at a lower rate, for allowance does not have to be made for unforeseen increases in aviation activity on the policyholder. part of the policyholder.

#### Written by Aviation Experts

Another reason why rates can be figured more closely is that they are written by aviation underwriting experts, who handle not only personal accident business but all varieties of aircraft coverage and are constantly in touch with aviation developments.

Aviation accident policies are never so liberal as to permit flying with any licensed pilot in any licensed aircraft. Underwriters demand some selection and they find that the passenger is glad to have the insurance company insist on passing on the pilot or flying service they contemplate using.

The policyholder would usually rather save his neck than collect, no matter how heavily he is insured, and aviation underwriters find that their assureds, even when their policies do not require it, call up and ask whether this or that pilot or flying service is O. K.

#### How the Rates Range

Rates on individual policies run from minimum of about \$5 per \$1,000 for passengers to between \$20 and \$30 or more for commercial pilots. Private pilots may get a rate less than \$20 if they lots may get a rate less than \$20 if they have had enough experience, but most of them have had so little time in the air that they take a higher rate than even commercial pilots doing a great deal of flying. Another apparent anomaly is the fact that student pilots take a fairly low rate while students and a much higher one when they have gradnated. This is due to the close super-vision they receive while in training as contrasted with the freedom of their status later on.

#### Burglary Premiums Keep Up in Spite of the Depression

EXCLUSION IN LIFE POLICY LOSS FROM BANKS MADE UP

Gains Are Found in the Residence and Mercantile Lines Owing to Field Stimulation

NEW YORK, Dec. 2.—Casualty companies writing burglary and their business on the whole are well satisfied with the way in which the premium income has been sustained thus far 1931, and feel confident that when year closes the returns will show little, if any, decrease from those had in 1930. This is despite the fact that approximately 1,400 banks closed their doors since last January, eliminating thereby a considerable source of premium in-come for the companies. The loss from this source has been offset in good part by revenues derived from gains in mercantile and residence lines, which latter especially have been developed to good advantage by some of the offices.

#### Demand from Safety Box Holders

All of the safe deposit institutions of the country report an increased demand for deposit boxes, to be used mainly for cash hoarding. Burglary companies fight shy of risks of this character, claims thereunder being provocative of no end of trouble. Instead, they are centering their activity on developing the straight their activity on developing the straight forms of burglary and theft indemnity, for the sale of which agents find a powerful argument in the danger en-countered during these days of large unemployment. In 1930, according to the tabulated experience of the National Bureau of Casualty & Surety Underwriters, the reporting stock companies received aggregate premiums from the burglary and theft line of \$29,138,346, on which they made an underwriting gain of \$2,906,092. It was one of the few divisions of the business which showed a profit, the majority of the other lines disclosing a heavy loss.

#### **Investigate Fraudulent Cases**

BOSTON, Dec. 2.-Three arrests, one of an attorney, with the pending arrest of 20 more attorneys and one East Boston doctor, in connection with alleged fraudulent automobile accident claims is the result to date of the investigation being made under the compulsory automobile liability insurance act by the citizens committee headed by President F. W. Mansfield of the Massachusetts Bar Association. The investigation by the committee to date reveals that 30 claims for damages have been made by one Somerville family and that one Revere family has put in 19 claims against insurance companies for alleged automobile injuries.

#### Supreme Court Declines to Review Agent's Contract

The United States Supreme Court has declined to review the case of Dreyfus vs. Independence Indemnity, in which the circuit court of appeals for the sixth circuit upheld the validity of the contract between the insurer and general agent, requiring the general agent to return to the company the full commission on that part of any premium returned to the insured.

The Independence Indemnity decided to cancel off policies in force in Youngs-

to cancel off policies in force in Youngstown, O., where Dreyfus operated. Dreyfus contended that the provision in con-troversy was not applicable to an entire cancellation of all business in the field but only to cancellation of policies arising "in the natural course of busi-ness in the conduct of a going agency." Sm

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#### Small Automobile Claims Show a Material Increase

ATTORNEYS ARE MORE ACTIVE

Lawyers See Business Declining and Hence Are After Personal Injury or Property Damage

NEW YORK, Dec. 2.—Casualty companies find that the automobile claim ratio is being affected quite materially during these days of depression by attorneys pressing those who are injured or who have a property loss, insisting that they can recover from the insurance company or the automobile owner. Company officials say that they owner. Company omeras say that they never had so large an amount of claims running from \$40 to \$60. Claims are being forced on companies that would not have been thought of in years gone by In a number of instances people would not have taken the time or trouble to press a claim. In fact in many cases the assured is not liable in the least.

#### Damage Claim Attorneys Active

However, many lawyers are hard up for business. Their own clients are qui-escent and there is not much business activity that requires the service of law-yers. Casualty company officials say that undoubtedly these smaller claims are due very largely to the activity of attorneys, many of whom were not in the personal damage field heretofore, at least to any serious extent.

As soon as an accident is reported to the police department, immediately runners for these attorneys get in touch with the person who is slightly injured or whose automobile has been damaged. The attorney tells the person that even if there is no liability a company will settle for \$50 or so. The attorney therefore agrees to take half the amount and immediately he starts after the insur-ance company. Insurance companies find that it is cheaper to pay off these small claims than to continue negotia-tions or to suffer litigation. Hence companies are being besieged by these loss claimants inspired by lawyers.

The general experience on automobile insurance is just as bad as last year if not worse. In fact some express the opinion that the loss ratio will be up for 1931.

#### Legal Talk to Indiana Club

The Casualty & Surety Field Club of Indiana, of which Hal Meyers, local manager of the Standard Accident, is president, will hold its next meeting Dec. 7 in Indianapolis.

Burrell Wright of the law firm of White, Wright & Bohlman will talk on the level side of insurance Commission.

the legal side of insurance. Commissioner Kidd had expected to be present but states that it will be necessary for him to be in New York on that date.

The club has been very active under Mr. Meyers' direction and have formed a bowling league composed of teams from eight of the principal casualty offices in Indiana.

#### Conference Group to N. Y.

The conference committee of the National Association of Casualty & Surety Agents is to be in New York next week for the big insurance gatherings. The committee consists of Wade Fetzer, C. H. Burras and George Webb of Chicago: T. E. Braniff, Oklahoma City and cago: T. E. Braniff, Oklah W. G. Wilson, Cleveland.

#### Big Bond for National

The National Surety has written the contract bond for the George A. Fuller Company of New York in the construction of the new United States Supreme Court building at Washington. The bond runs in favor of the United States and is in the amount of \$4,191,500, one of the largest bonds in recent years.

# Plate Glass Writer Sets Forth Afflictions in the Field Today

The following communication was received from the executive of a casualty company specializing in plate glass insurance.

'The writer remarks with interest the article on plate glass which appeared in THE NATIONAL UNDERWRITER OF NOV. 26. The revenues derived from plate glass insurance premiums form an important part of the income of many agencies in our larger cities. These agents are are bound to regard the unhealthy condition in this field with real concern.

"The plate glass line will prove de-cidedly unprofitable this year. Furthermore there is little reason to believe that this condition will better itself next year or the year after that unless steps taken to face costs and conditions as they are.

"Until recently the moral hazard in the plate glass insurance field has been negligible. As between the company, the agent and the assured this hazard continues to be negligible. However, depressed economic conditions have introduced a moral hazard foreign to the principles of the contract. This hazard is a serious one. For example it requires no great stretch of imagination to picture a glazier introducing dubious measures to secure a profit to which he may or may not feel entitled. Of course, the insurance company pays his questionable profit.

"In the last two years we find examples of freak losses which separately are of no serious import but which collectively are a serious menace to any possible hope for even a small profit possible hope for even a small profit in plate glass insurance underwriting. Hungry men—perhaps heads of hungry families—in their desperation break windows that may cost hundreds of dollars, to steal articles or food not worth a fraction of the value of the glass destroyed. At no time in the history of plate glass insurance have there been so many losses directly resultant of suc-cessful or attempted burglaries. In this respect we cite two instances where breakages were caused by men who wished to be arrested. Both wanted food and shelter. How can an agent be expected to underwrite plate glass risks well in view of these startling and un-familiar hazards, the results entirely of present economic conditions.

"Again in an agency we discover that

plate glass premiums are falling off. New business is slow and business that was renewed easily in the past may not be rewritten at all and if it is requires reselling and persuasion.

"Perhaps the first line of insurance dropped by the merchant who seeks to reduce this overhead is plate glass. However, the man who drops his coverage does so because he feels that his good experience warrants his non-insurance of the risk. On the other hand the man who has had losses year in and year out, who is ahead of the insurance company continues his coverage if not

in one company in another.
"The result is the poorer class of busiresult is the poorer class of business is insured while the better risks tend to be self insured. The situation is unhealthy not only from the standpoint of the company but from the standpoint of the agency as well.

"Facts, company statements, etc.

"Facts, company statements, etc. would indicate that insurance rates are too low particularly in the casualty lines. Rather oddly then plate glass rates have gone down while other casualty rates have increased substantially. Companies underwriting plate glass are doing so with little likelihood that they will show a profit or an even break on this line for a long time to come.

#### Glaziers' Prices Higher

"Practically every commodity today is repractically every commodity today is being sold at a lower cost than as of a year ago. What is more, the prices tend to go lower and lower. Plate glass dealers are apparently out of step with this trend. Surprisingly the cost of plate glass rates is increasing. The National Glass Distributors Association furnished a list quoting the cost of plate glass at rates generally from 10 to 15 percent higher than at this time a year

"Plate glass insurance is a fixed experience line. Therefore, the computation of rates for this coverage is easier and more accurate than in any other phase of insurance. If a company does not make money it is because generally the experience is poor and be-cause generally the rate for the insurance is too low.

"Experience in plate glass underwriting is poorest in the history of the coverage, rates are suicidal and the cost of plate glass is from 10 to 15 percent higher than a year ago. What is the answer

#### Sees Interest of Life Men In Accident Coming Later

E. H. Mueller, Wisconsin manager Provident Life & Accident, says that life insurance agents have not yet shown much interest in the sale of commercial accident and health insurance. He be-lieves, however, that this interest will come later after the agents are no longer permitted to sell the disability clause with the life policies. While many important companies have taken action to discontinue the sale of disability insurance, the dates upon which discontinu-ances become effective begins in Norember and runs through to Jan. 1. Therefore, even those agents whose companies will not be writing disability insurance are now engaged in selling it and will not be thinking so much accident and health insurance possibilities until after the first of the year.

#### Committee of the Surety Association Holds Meeting

NEW YORK, Dec. 2.-Upon invitation, T. C. Andrews, auditor of public accounts of Virginia, will attend the meeting of the public official bonds com-

#### General Alliance Control Not Threatened, Boles Says

Control of the General Alliance Corporation, which controls the General Reinsurance, North Star and United British, is not in jeopardy, according to President E. H. Boles, who states that owners of a majority of the stock of the General Alliance have pledged them-selves not to accept the offer of \$19 a made by B. D. Zimmerman. offer by Zimmerman was made in the advertising columns of the New York "Times" on the provision that the ma-jority of the stock be deposited in ac-

ceptance of his offer.

It is believed that Mr. Zimmerman was acting for Carl M. Hansen, presiof the International Reinsurance of Los Angeles and Independence In-demnity, who organized the General Reinsurance.

mittee of the Surety Association of America here today. In addition to the America here today. In addition to the committee members it is expected officials of a number, if not all, of the companies will likewise be present, the subjects slated for review being of considerable importance.

#### Bankers Note Sad Results on Several Types of Cover

RECENT CHANGES REVIEWED

Insurance Committee of A. B. A. Comments on Depository Losses, Constant Rises in Fidelity

NEW YORK, Dec. 2.-In the report of the insurance committee of the American Bankers Association pre-sented at the annual gathering of the latter body, changes in the bank burg-lary and robbery forms and in banker's blanket and depository bonds were reviewed.

Regarding depository bonds, the re-port recites that "according to figures of the underwriting bureau loss pay-ments during recent years mounted so high as to warrant the several rate increases adopted by the surety companies.

#### Heavy Depository Loss

Depository bond premiums in 1930 were \$5,011,414, with \$11,112,868 losses. Depository bond figures for 1931 are said to be proportionately high though consolidated figures are not yet available. As to bank fidelity bonds the report

"The loss ratio also presents a very drab picture. On class A banks (banks with capital of \$25,000 or over) the loss ratios for the last four years are loss ratios for the last four years are reported as follows: 1927, 68.9 percent; 1928, 65.5 percent; 1929, 74.6 percent; 1930, 89.3 percent. On class B banks (banks with less than \$25,000 capital) the following ratios are reported for the same period: 1927, 49.8 percent; 1928, 62.2 percent; 1929, 125.5 percent; 1930, 97.0 percent.

#### Fidelity Loss Rises

"It will be noted that the loss ratio on bank fidelity bonds is constantly rising, and we are informed that although premium rates were increased in July, 1930, yet the loss ratio for the first nine months of this year shows an increase over the corresponding experience of

"In order to arrive at the true status of the situation, we should add to the loss ratio the overhead expense such as acquisition cost, home office expense, etc., which usually approximates 50 percent of the premium income.'

#### Honor H. B. Goad

The Indianapolis branch office of the New Amsterdam Casualty honored Harry B. Goad, manager of the claim division, with a farewell dinner, Nov. 30. Mr. Goad is leaving to become claim manager of another New Amsterclaim manager of another New Amsterdam territory and will handle the claim matters of several adjoining southern states. After-dinner speeches were delivered by David Layton, branch manager of the New Amsterdam, and Raymond C. Fox of Moore & Fox, who expressed their appreciation of the deep reignation developed with Mr. Good pressed their appreciation of the deep friendship developed with Mr. Goad during his six year connection with the New Amsterdam. A fine gladstone bag was presented to the honor guest.

was presented to the nonor guest.

Mr. Goad has been succeeded by Clifford T. Reese, who will be assisted by Walter W. Felkner, formerly of the American Mutual Liability.

#### Georgia Cuts Cost Loading In Allowing Rate Increase

The increase in compensation rates granted in Georgia was conditioned upon members of the National Council taking 2.5 percent of the loading factor from the 17.5 percent previously allowed for acquisition and supervision cost. The stipulation is of pronounced interest to the casualty fraternity the country over as it may compel general revision of acquisition allowances.

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## ACCIDENT AND HEALTH FIELD

#### Smith Is National Treasurer

#### Appointment Virtually Completes Official Roster of Accident & Health Managers Association-Activities Reviewed

The appointment of Percy D. Smith of the Aetna Life in Chicago, president last year of the Chicago club, as treasurer of the National Association of Accident & Health Managers has just been announced by President L. D. Edson of the national association. This completes the official roster of the national association with the exception of a regional vice-president for the Great Lakes states, where a vacancy was created by the resignation of R. M. MacKinnon on his removal from Detroit to Chicago. The appointment of Fred G. Burgoyne of the Union Indemnity, New York, as of the Union Indemnity, New York, as national secretary was announced re-

The regional vice-presidents are: Mid-The regional vice-presidents are: Middle Atlantic states, Armand Sommer, Southern Surety and Home Indemnity, New York; New England states, H. B. Fowler, Columbian National Life, Boston; Pacific states, W. D. Mead, Pacific Mutual Life, Seattle; south central states, C. B. Adams, Business Men's Assurance, Nashville, Tenn.; southwestern states, Bert L. Jones, Maryland Casualty, San Francisco; western states, H. H. Strayer, Central Surety, Kansas City, Mo. City, Mo.

#### Organization Work Progressing

Excellent progress in organization work over the country is reported in a very newsy bulletin just issued by President Edson and sent out to all of the ident Edson and sent out to all of the local accident and health managers clubs, reviewing the activities of both the national and local associations. It is stated that meetings are to be held soon in Des Moines, St. Louis and Cincinnati looking toward the organization of local clubs, which will be affiliated with the national association. The Philadelphia association is to vote shortly on affiliation with the national shortly on affiliation with the national organization, with a favorable vote expected. The Boston association is being reorganized for greater activity, and plans are under way for the organiza-tion of local clubs in other New Eng-land cities. Much activity is reported among other clubs which already have

taken a leading part in building up the national association.

President Edson is requesting the local clubs to send in suggestions for topics to be included in the program for the next national convention. He states that it is not impossible as yet to make any definite announcement as to the plans for that convention, except that it will be "the best and most effective accident and health meeting ever held."

#### Struck by Lightning, Hurt Not Objective, but Collects

Neurasthenia and psychoneurosis resulting from being struck by lightning are covered under an accident policy, the Kansas supreme court has decided in Stecher vs. London Guarantee. The London Guarantee insisted that Stecher should not be permitted to recover because there were no bodily injuries shown.

injuries shown.

The Kansas supreme court held that the sole protection afforded by the policy is "against bodily injuries," and under the provision for double liability it specifically names "by being struck by lightning." There is no provision in the policy which would limit the liability to external or visible injuries. Without any provision requiring such injuries to be objective and with the specific inclusion of stroke by lightning, the requirement of the injury to be objective would be reading into the con-

tract more than could reasonably be implied. The evidence was sufficient to support a finding that Stecher did not have these mental disabilities prior to the accident.

#### Cut Lapses by Reinstating Policies on Cheaper Basis

Some companies these days are hav-ing success in keeping their accident lapses at a minimum by suggesting that whenever an accident policy is dropped that the assured be induced to buy a cheaper policy. An assured who drops a \$25 policy is asked, for instance, to take out a \$15 instrument.

This system has been effective in those offices which have aggressively adopted it. One company reports that it is able to reinstate about one-third of its lapsed policies on a cheaper basis.

#### New Bureau Forms Analyzed

SEATTLE, Dec. 2.-President C. L. SEATTLE, Dec. 2.—President C. L. Burt presided at the monthly meeting of the Seattle Accident & Health Managers Club. M. C. Robb, newly appointed manager for the accident and health department of the United Pacific Casualty, analyzed the policy forms recommended by the Bureau of Personal Accident & Health Underwriters.

#### "Shooting Self-inflicted"

Accidental suicide is described by the term "shooting self-inflicted" the United States district court for the northern district of Oklahoma has held in Lemmon vs. Massachusetts Protective Association. The policy provided that self destruction is excluded and that benefits for "shooting self-inflicted" shall be

one-fifth the accidental death indemnity. Lemmon contended that "shooting selfinflicted" as used in the policy means an intentional self inflicted wound by shooting and does not contemplate an accidental shooting. The court said that because of the exclusion of self destruction under the provision of the relievable of the exclusion of the policy. tion under the provision of the policy, this contention is untenable.

#### Drink Held "External"

FRANKFORT, KY., Dec. 2.—Injury due to drinking a mixture which, undue to drinking a mixture which, unknown to the insured, contained a substance causing paralysis, is held by the court of appeals of Kentucky to be an accident caused by external, violent and accidental means, in the case of Reuben Woods vs. Provident Life & Accident.

The policy did not cover injuries sustained while under the influence of intoxicants or narcotics but that fact did not defeat liability on an accident policy where the insured did not know

icy where the insured did not know what the liquid contained, the court says. It holds, however, that Woods is not entitled to recover a lump sum for the time that he is disabled.

#### Frame Quarterly Premium Draft

Details of the tentative agreement re-cently reached by a group of quarterly premium accident and health companies in regard to policy phraseology and underwriting practices are now being worked out and are expected to be ready for presentation at the meeting of the for presentation at the meeting of the executive committee of the Health & Accident Underwriters Conference in Chicago Friday. While this is not a conference proposition, most of the companies interested are members of the conference and it is believed that the discussion of the plans proposed will be of interest to all member companies. The executive committee meeting will be open to representatives of ing will be open to representatives conference companies only.

The Monarch Accident and Monarch Life have opened a claim office in Des Moines with G. H. Muse as manager.

ments on this contract since the bond was signed.

The F. & D. is under the impression that the slides are in the canal proper, whereas the site of this contract is 15 miles from the canal. The company feels that there has not been sufficient time for these contractors to get under time for these contractors to get under the actual construction of the way in the actual construction of the dam. There is a good deal of pre-liminary work to be done in getting materials and equipment to the site of the contract and in building a camp for the labor on the job. The company feels that it will probably be some time before the actual work will commence and so far as the F. & D. knows, these slides will not interfere in any way.

#### State Depository Fund Is Predicted for Wisconsin

MILWAUKEE, Dec. 2—A state depository fund bill, being prepared for the Wisconsin senate as an administration measure, appears to be almost certain of passage, according to leading surety men here. The situation became acute some time ago with bonding companies raising rates sharply, and a number of companies ceasing to write depository bonds, so that the remaining companies were put to it to meet the needs of were put to it to meet the needs of banks.

Under the proposed new plan, public deposits included in the state depository system would be those of state, county, city, village, town, drainage district, power district, school district, sewer district or any other subdivision. Every bank receiving or having any public funds on deposit would pay to the fund funds on deposit would pay to the fund each quarter 1 percent per year on the average daily balance of such deposits made in the preceding three months. In case the fund is insufficient to meet losses, provision would be made for payment out of the general fund, which would later be reimbursed from the state deposit fund.

deposit fund. Every state bank would be a public depository, and a national bank desiring to become a public depository must file an agreement with the state treasurer that it would comply with the law

#### National Surety Sues Agent

TRENTON, Dec. 2.—Edgar H. Wilson has been sued by the National Surety for \$150,000 damages. The com-Surety for \$150,000 damages. The company claims Wilson exceeded his authorpany claims Wilson exceeded his authority in negotiating a bond for contractors of the United States Veterans Hospital at Somerset Hills, N. J. It is alleged that Wilson in August, 1930, negotiated a bond of \$470,000 on the General Contracting & Construction Company, which the National Surety says failed to carry out its contract, leaving the re-mainder of the work to be completed by the bonding company. The National by the bonding company. The National Surety claims that the bond was written without its knowledge and as soon as the facts became known there were at-tempts to cancel the bond, which were

#### **Bankers Mutual Wins Case**

MADISON, WIS., Dec. 2.-The Wis-MADISON, WIS., Dec. 2.—The Wisconsin supreme court has sustained a fidelity policy in the case of the City Bank of Portage vs. Bankers Limited Mutual Casualty. The policy provided that the company should be hable only for default discovered while the policy was in force or within 18 months thereafter. The bank brought suit on the ground that the 18 months limitation was in conflict with the general statute of limitations and therefore not operative. Judgment in favor of the company tive. Judgme was affirmed, Judgment in favor of the company

Big producers all over the country recommend the Fire. Casualty & Surety Bulletins. Write The National Under-writer for information.

## FIDELITY-AND SURETY NEWS

#### Pennsylvania Treasurer Is Credited with Approving Modification to Facilitate Securing Coverage

NEW YORK, Dec. 2.—In consequence of the difficulty now experienced in procuring bonds covering funds de-posited in banking institutions in var-ious centers of Pennsylvania the treasurer of the state is credited with favoring the acceptance of a cancellation clause in bonds issued by surety companies. No such move has been officially sanctioned as yet however, and until it be forthcoming underwriters will continue cautious in considering applications for indemnity of this character in the state. Bank failures in Pensylin the state. Bank failures in Pennsylvania have been frequent the past year. vania have been frequent the past year. Institutions supposedly well established and in strong financial position have been compelled for one reason or another to close their doors. Despite the iron-clad nature of bonds, some companies eager to get off risks have sent out cancellation notices, only to have them returned by the assured.

## Surety Bond Situation Is Holding Up Michigan Taxes

LANSING, MICH., Dec. 2.—Michigan city, village and township treasurers in the majority of cases have failed as yet to comply with the law relative to furnishing performance bonds as a requisite to starting collection of the winter tax. The law states that the bonds shall be filed by Nov. 28 but the would be reading into the con-situation precipitated by the refusal of

Cancellation Clause Favored the surety companies to accept the business this year has not yet been straight-ened out satisfactorily and it appears that there will be considerable delay in many parts of the state before tax col-lections can go forward.

At least three companies, insurance men say, have been writing a limited amount of business at double rates. The companies named are the Central West Casualty, the General Indemnity and the Detroit Fidelity & Surety. The carriers in these cases have been design carriers in these cases have been designating the depository and selecting the business carefully. Facilities of the Guardian Detroit Union and First National groups of Detroit have been accepted in this arrangement, as approved depositories, according to surety company officials. The Michigan Surety of Lansing has also written a very limited number of bonds, it was stated by an official. In some instances where the double rates have been collected the double rates have been collected the premium has covered both performance bonds for the treasurers and depository bonds for the banks with which the funds are to be placed. Depository bonds in this territory have been extremely difficult to obtain for some months and this was the determining factor in the general decision to refuse the short term tax collection bond for the treasurers.

#### Canal Slide Probably Won't Affect Madden Dam Project

the effect of the recent slides in the Panama Canal on the Madden Dam project there, construction of which is about to start. The Callahan Construction Company of St. Louis and Peterson, Shirley & Gunther of Omaha are

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## **Acquisition Cost** Still Big Issue

(CONTINUED FROM PAGE 29)

lic will not be asked to pay more than it

justly should. As companies have striven for business and many newcomers have entered the field, the tendency has been to seek out agents that have a modicum of busiout agents that have a modicum of business and make them general agents. Older companies found their local agents with even a moderate premium income were being offered general agency commissions. This started the commission boosting process. In the attempt of the organization companies to stability of the organization companies to stability of the organization companies to stability. of the organization companies to stabilize acquisition cost, some have taken the position that nothing is gained in forcing members to reduce the number of their regional and general agencies if standing hard by them were others, waiting for the opportunity to grab them. That, they argued, would not reduce the cost but would merely penalize some company members. So far as the premium paying public is concerned, not a jot or tittle was accomplished. Therefore, companies have been jealous of a jot or tittle was accomplished. Therefore, companies have been jealous of their rights. They were not in the mood to sacrifice business merely to hand to a competitor which would pay as much or perhaps even more than had been given theretofore.

#### Classification of Agencies

Before much headway can be made as to cost control, there will doubtless have to be a clearer and more concrete defi-nition of a "general agent." As time goes on many officials assert there should be but two commission classes, general agents and agents. An inter-mediate class means that producers soon gravitate to it. There is the old time conflict between branch offices and general agencies, each claiming the other has a distinct advantage. A special committee is working on agency classifica-tion with the purpose of working out some practical recommendations. It will some practical recommendations. It will meet again this week. One suggestion is made that a general agent be one who reports direct to the head office, is granted full facilities and powers and is not to be under the jurisdiction of a branch office. That has some practical difficulties.

It seems to be the opinion that Her-

bert Cobb Stebbins' plan of having gen-eral agents exercise purely supervisory powers and write no business themselves can not be adapted to the casualty and surety business although it may work in the fire line. The processes of the field are different in the two classes, it is contended, and so far no way has been found to first them. found to fuse them.

#### May Have an Arbiter

It may seem wise to have a sub-committee of the acquisition cost com-mittee pass on each general agency and decide on whether it is entitled to the classification. Some companies, how-ever, object to having competitors de-cide such an issue. This then may lead cide such an issue. This then may lead to an impartial arbiter, a course pursued in New York City which was found successful. If some plan can be devised for New York state and it works satisfactorily, it can then be extended to other states. So far it must frankly be acknowledged little has been accomplished.

#### E. H. Kambe Resigns

Elmer H. Kambe has resigned as manager of the Milwaukee branch office of the Ohio Casualty. The office has been moved to the Brumder building and is temporarily in charge of J. I. Scott, from the home office.

#### Brink Is Resigning

E. J. Brink, burglary underwriter for Lloyds Casualty in Chicago, has resigned. Mr. Brink has had 20 years' experience in all casualty lines as underwriter and field man and is popular among Chicago casualty men and active in the organizations.

NEW YORK, Dec. 2.—Members of the executive committee of the Association of Casualty & Surety Executives met here Tuesday to pass on the budget for the new year, and to deal with a number of routine matters.

## Reserves Issue May Be Up Next

(CONTINUED FROM PAGE 29)

for income disability arising after age 55; and on the waiver clause eliminates applicants over age 55 and claims arising over age 60.

#### Dangerous Practice

The claims after age 55 have been regarded as unusually hazardous; in fact, any company which continues to cover disability after 55 is standing alone, or almost so, in its effort to give what is a very desirable but also a very expensive protection. It is expensive

what is a very desirable but also a very expensive protection. It is expensive not only because of unusually heavy claims coming after that age, but also by reason of reserves which very probably will be heavily increased at the later age limit.

Any one who keeps his ear to the insurance ground cannot fail to be impressed with the idea that the pension hazard of disability is being more and more recognized and conceded. The non-can companies always have realized this to a greater extent than life companies, which appear to be seeking some measure of relief in the six months' clause substituted for four months.

#### Fenr Life Indemnity

Non-can companies, it is said, have no thought of increasing to the six months' clause and have no fear of any hazard in the early claims. They emphasize entirely the peril of the man who gets entirely the peril of the man who gets sick and cannot or will not get well. In fact, the statement has been heard many times by accident and health company officials that any individual who is sick or disabled for one year and goes on the life indemnity pay-roll of the life or non-can company will stay there until he dies or in forced effects. until he dies or is forced off.

#### Practical Results Seen in New Storekeepers Policy

The Hartford Accident in paying its The Hartford Accident in paying its first loss under the new storekeeper's burglary and robbery policy calls attention to the manner in which an adjustment works out. This loss emphasizes the value of the complete protection afforded under this policy. The claim was covered by three separate and distinct sections. There was stolen \$250 from the safe after the combination was knocked off and the lock smashed. There was \$78.38 worth of merchandise taken and the safe was damaged to the

There was \$78.38 worth of merchandise taken and the safe was damaged to the extent of \$20. These amounts totaled \$348.38 and were paid at once.

Formerly in order to collect the total amount it would have been necessary for the policyholder to carry both the safe burglary and open stock policy. The loss under the property damage would have been covered under the safe burglary policy. The assured would would have been covered under the safe burglary policy. The assured would have had to carry open stock insurance up to the amount required by the nature of his business and the territory in which he was located. This loss was at Union, S. C.

The Hartford "Courant" reported recently that the Hartford casualty companies had already sold over 4,300 of these contracts.

#### Four Legislatures in Session

NEW YORK, Dec. 2.—Special sessions of the legislatures of Illinois, Pennsylvania, Tennessee and Wisconsin are now being held. All are considering means for raising additional revenue, and for affording relief to the unemployed.

#### Casualty Executives Meet



# The Central West.

aims to maintain Agency relations dedicated to the theory that the partnership interest best promises success and, in the light of this conviction, intends to foster methods fundamental to business satisfaction.

is equipped to write practically every character of Casualty Insurance and Bonds and to render individual attention to Agents in their problems.

CAPITAL \$1,000,000

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# The PROVIDENT'S

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# NON-CANCELLABLE. **GUARANTEED** RENEWABLE, FULL **COVERAGE** ACCIDENT POLICY

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Nothing Like it Ever Be-fore Offered the Insuring Public.

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# New **Accident Policy** For Women **Including Housewives**

And nine other brand new Accident and Disability Contracts for your kit. Everything needed to meet present day requirements for income protection insurance.

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The

# PROVIDENT

LIFE AND ACCIDENT **INSURANCE COMPANY** 

CHATTANOOGA, TENNESSEE

## Coast Men Taking **Up Farm Question**

(CONTINUED FROM PAGE 3)

Board adopted the signed application form in the belief that its use would, in large measure, solve the problem at that time. Apparently, however, this form has not been adhered to in all parts and by all companies and the opinion has again been expressed that if these application forms were properly completed and signed by the assured, the whole farm problem would be materially modi-

farm problem would be materially modified.

It has again been suggested that a farm inspection bureau be established, the expenses of which would be met by cutting the agents' commission approximately 10 percent on this business. Certain agents, on the other hand, have advanced a similar idea, stating that if an unbiased and impartial inspector, representing all companies, be employed and report to the Pacific Board direct, the underwriting conditions would be improved and the cost to the companies would be negligible when compared with the cost of sending special agents for would be negligible when compared with the cost of sending special agents for the various companies on farm inspec-tion trips. Some fire company managers are of the opinion that agents would strongly oppose the establishment of such a Bureau with the consequent re-duction in commissions to agents duction in commissions to agents.

#### Mutuals Are Active

Mutual companies are a considerable factor in farm business on the coast. In Oregon a large volume is written by about two such concerns while in California practically every county has its mutual company. In certain sections, by way of comparison, the average rates charged by these mutuals in California are 15 cents for one year and 45 cents for three years whereas the stock companies, stee (heard newhors) average. panies' rates (board members) average from \$1.10 to \$1.50 for three years. At the 1929 session of the California legis-lature the county mutuals were granted the right to write insurance on town property and in several sections the more aggressive of these organizations have succeeded in making some progress. However, whether the losses will permit much activity on their part along these lines is a matter which is doubtthese lines is a matter which is doubtful, local agents out in the rural sections advancing the suggestion that in their particular communities the outside farm business has been more profitable than the town business.

Twenty-five of these farm county mu-

Twenty-hve of these farm county mutuals operating in California during 1930 produced a premium volume of \$598,886 with losses of \$304,577. Loss ratios among these organizations ranged from nil to more than 100 percent with some as low as 1½ percent, 2 percent and 3½ percent and running as high as 75 percent and 85 percent.

As far as premiums for the present year are concerned, members of the Pacific Board report that they are off about 10 percent for the year 1931.

Adoption of the three-fourths value clause in writing farm business at least in northern California was virtually agreed upon at a meeting in San Francisco Dec. 1 between the farm com-mittee of the Pacific Board and repre-sentatives of the California Association of Insurance Agents. No agreement regarding requirement of the clause in southern California was reached, as this section was not represented at the meeting

Before recommendations covering the entire state are made by the farm com-mittee to the board a conference will be held with agents in southern Cali-

was a sub-committee of the farm committee of the California association as follows: H. J. Thielen, chairman; C. T. Buckman, Fred Truman, Charles McSherry, H. B. Scudder and President P. S. W. Ramsden.

# Studying the New Ohio Taxing Law

(CONTINUED FROM PAGE 3)

invested in government obligations in order to determine the surplus. Whether the Ohio tax law is subject to the same interpretation has not been determined nor so far as known has any company indicated an intention to test the law on this point.
Under a similar interpretation, if a

company had a capital and surplus of \$100,000, one-half of which was invested

will generally pay the tax without making any attempt to find loopholes in the law. When the hearings were held on the tax law, companies indicated that they were satisfied with the tax arrange-

ment proposed.

The five-mill tax is also in lieu of all other taxes on or against the stockholders, members or policyholders of any company by reason of their stock or other interests in the company, except for annuities and except for the right to receive the proceeds of a policy payable receive the proceeds of a policy payable after its maturity in installments or left with the company at interest.

#### Foreign Companies Exempt

Policyholders of life companies will not be taxed on the income increment of cash surrender values before the inof cash surrender values before the in-surance contract has matured and after maturity only where the policy is pay-able in installments or the insurance is left with the company at interest. The law specifically states that foreign in-surance companies are exempt from the five-mill assessment and the law does not affect any tayes now being paid by in United States government obligations and the liabilities amounted to \$50,000, there would be no taxable surplus.

In most cases, the Ohio tax will be so small that it is believed companies

#### CASUALTY ASSOCIATION NEWS

Fine Service Rendered by Cooperative Claim Recording Service at Chicago in Last Year

Testimonials to the exceptional serv ice afforded its 59 members—of which 36 are insurance companies—by the Mutual Information Bureau of Chicago were tendered at the annual meeting were tendered at the annual meeting Tuesday. In face of depression and declining memberships in many other organizations, the bureau has held the same number of members as last year, Miss E. Luther, secretary, reported.

President H. D. Wagner urged members to report all claims and not merely suspicious ones, as he said record of a first claim some day might be valuable. He estimated the reports now on file in the bureau as representing an invest-

in the bureau as representing an invest-ment of \$225,000. Non-subscribers can get reports at a moderate charge. Mr. Wagner urged that they not be expected to be given for nothing to be given for nothing.

#### Luce Makes Proposal

R. T. Luce, United States Casualty, president Casualty Adjusters Association, Chicago, proposed that the bureau include burglary and health and accident claim reports as well as the compensation and liability now handled. President Wagner said the bureau is open to lending aid in checking on all applicants and some burglary and A. & H. claims have been cleared by the bu-

Five directors representing insurance companies were elected for the new year: H. B. De Shields, Bankers In-demnity; R. T. Luce, United States Casualty; G. E. French, Liberty Mutual; H. H. Rolfe, Globe Indemnity, and A. L. Cambridge, Illinois Manufactur-

Other new directors are: From claim enartments of railways, F. C. Payne, departments of railways, F. C. Payne, G. T. Hellmuth, Frank Winter, Jr., J. S. Palmer and G. F. Baker; miscellaneous, H. M. Weber, T. E. Rees, G. A. Davis, A. E. Lundsteadt, H. D. Wag-

#### Johnson Is Institute Speaker

SAN FRANCISCO, Dec. 2.—George be held with agents in southern California.

Although one or two minor changes in the method of making rates were discussed and practically agreed upon it is understood no recommendations of far-reaching effect will be adopted until companies make a thorough study of farm business and rate structure in this territory.

Representing agents at the meeting SAN FRANCISCO, Dec. 2.—George Johnson, assistant manager United States Fidelity & Guaranty, addressed the Casualty Insurance Institute of San Francisco Nov. 30 on "Professional public liability (physicians, dentists, druggists, hospitals, beauty parlors—malpractice) and products liability."

At the last lecture of the fall series Dec. 14 W. H. Hitchings, attorney for the Hartford Accident, will speak on

Information Bureau Meets Public Liability Claims and Claims

Checking Bureau."

The executive committee of the institute plans another series of bi-weekly lectures commencing in January.

#### Law Heads Atlanta Association

ATLANTA, Dec. 2.—J. A. Bartlett was elected president of the Atlanta Casualty & Surety Association at the annual meeting, succeeding Fleming Law. Other officers elected were C. L. Law. Other officers elected were C. L. Lochridge, first vice-president; Judson Garner, second vice-president; A. C. Taylor, secretary, and S. B. Hoag, treasurer. Members of the executive committee are Fleming Law, chairman; Howard Geldert, John Land and Lawrence McRea.

#### Great American's Coast Conference

Great American's Coast Conference

SAN FRANCISCO, Dec. 2.—With
"Business Development" as its theme,
the annual conference of the Great
American Indemnity's Pacific department opened here Monday. In former
years this conference was held in February at the time of the annual meeting of the Fire Underwriters Association of the Pacific but it was felt by
Daniel McPeak and A. W. Hillback,
managers, that in view of the present
situation it was wise to have all plans
laid before the New Year. One day
was devoted to a joint session with the
Great American and Phoenix office,
which is under the management of Clifford Conly. ford Conly.

Could you use a tested, proved sales or collection plan? The Accident & Health Bulletins, a National Underwriter publication, contain many of them. Write for information.

#### Wanted—Casualty Company

Responsible and experienced insurance men want a casualty and surety company under a general agency arrangement covering Kansas City and Jackson County, also a company for the states of Kansas and Missouri. Reply in confidence to U-56, The National Underwriter.

Inspector would like to connect with co on time and mileage basis, making all line of Liability, Burglary and Compensation In-spections in St. Louis, Missouri and surrounding territory. Experienced. Address U-57, The National Underwriter.

## NEWS OF THE COMPANIES

Up to Date Methods and Had Its Policies Revamped

President C. H. Taylor of the Home Friendly of Baltimore is doing some creative work in connection with that company. He was formerly secretary. company. He was formerly secretary. In studying accounting methods and agency records he felt a new system should be inaugurated in order to show the actual results. This was done. An immediate saving was revealed. He was put in the presidency, studied all phases of the company, with the result that it is now modernized. He had new life policies drawn up so that Home Friendly agents could have contracts to enable them to meet up to date companies. Its juvenile policies are particularly attractive.

The Home Friendly built up its busi-

ticularly attractive.

The Home Friendly built up its business on sickness and accident. A few years ago it started to write life. President Taylor, on analyzing the company's experience found that the money was being made in the life department. So he started stimulating that end of the he started stimulating that end of the company. Now the business is just about evenly divided. He is working toward a gradual reduction of accident and health and a consequent increase of life. of life

President Taylor is a hard worker. In the seclusion of his own home, where he is not interrupted, he does much company work.

#### Prudential Casualty Hits Authors of Vicious Rumors

The Prudential Casualty & Surety of St. Louis has issued a bulletin, advising that a convention examination report of the company has been released and denouncing authors of "vicious rumors," which, it says, have been circulated about the company

which, it says, have been circulated about the company.

"The examiners have assigned policyholders' surplus of \$346,000," the bulletin states, "after setting up additional reserves of more than \$100,000, occasioned by the increased premium writ-ing, and after writing down security valuations to market values as of pres-

Vicious rumors have been circulated by competitors concerning the financial stability not alone of the Prudential Casualty & Surety but of many other sound insurance institutions. We deplore this situation and urge you to de-nounce such scandalmongers, who it must always be remembered, are seek-ing personal financial gain at the expense of another.

Plans are under consideration which will result in the Prudential being able to offer fire and theft coverage under its own 14 point automobile policy. At present, the Prudential has arrangements with the Iowa National Fire.

#### Consolidated Quits California

LOS ANGELES, Dec. 2.-The Consolidated Indemnity, according to an-nouncement by Henry Papenberg, Pa-cific Coast manager, has decided to cease cific Coast manager, has decided to cease operations in California. It is expected that the business in California will ultimately be reinsured. The Consolidated has been operating in California since the latter part of 1929. The casualty business for this state has been handled by the R. L. Heinsch agency, while the bonding and allied lines were in charge of the Insurance Service Corporation.

#### Restricts Coast Writings

Home Friendly Modernized
President C. H. Taylor Has Introduced
Up to Date Methods and Had Its

Property damage in the territory under the supervision of Ray Decker, manager at San Francisco. Previously, the Home Indemnity withdrew from the fidelity and surety field in that section.

#### **New National Surety Director**

Lansing P. Reed of the firm of Davis, Polk, Wardwell, Gardiner & Reed has been elected to membership on the advisory board of the National Surety. A quarterly dividend of 50 cents a share has been declared payable Jan. 2 to stockholders of record, Dec. 17.

#### Lexington Surety Exhibit

Total assets of the Lexington Surety & Indemnity, formerly the Grand Central Surety, as of Sept. 30 are reported as \$570,405; capital, \$250,000; surplus, \$170,780; claim reserve, \$21,699; earned premiums, \$116,185.

#### American Credit Report

Total assets of the American Credit Indemnity as of Sept. 30 are given as \$3,102,647; capital, \$1,000,000; surplus, \$470,325; loss reserve, \$751,949.

#### Universal Merger Completed

Consolidation of the Universal Automobile and Universal Casualty of Dallas under the title of Universal Automobile has been accomplished, stockholders of each company having ratified the agree-ment. Application for an amended charter for the Universal Automobile has been applied for.

#### Virginia L. & C. Reduces Capital

The Virginia Life & Casualty of Richmond has amended its charter, reducing the par value of its shares from \$10 to \$5 and reducing its actually issued and outstanding capital stock from \$200,000 to \$100,000. T. Elwood Tragle is presi-

#### Launch New Ohio Mutual

The Mid-Continental Mutual Indemnity of Cleveland has been incorporated to write health, accident, automobile and other kinds of insurance. Donald M. Judd is one of the incorporators.

#### Casualty Company Notes

The Fireman's Fund Indemnity, which was licensed in Texas last February, has now been authorized to write fidelity and surety there.

# PERSONALS

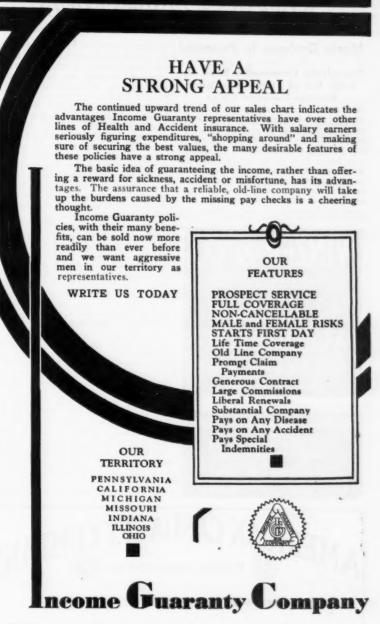
George E. Fetzer of St. Louis has been presented with a gold watch fob for having completed 25 years of service with the Fidelity & Casualty.

President R. H. Bland of the United States Fidelity & Guaranty, who had a serious infection of his throat last summer that gave him some anxious days and several weeks out of commission, is thoroughly recovered and is in splen-did physical shape. Fortunately the in-fection was localized and this treatment was effective.

Albert M. Bumgarner, 55, district manager for the Massachusetts Bonding at Saginaw, Mich., died there the past week. He had represented the company

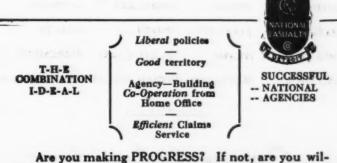
Phil L. Miller, agency manager for the Constitution Indemnity, has been in Chicago consulting with I. C. Faber, field supervisor western department.

The Home Indemnity is discontinuing the writing of all casualty lines with the exception of automobile liability and the exception of automobile liability a



Capital Stock \$124,100.00 - Surplus to Policy Holders Over \$184,000.00 Legal Reserve Stock Company

- (Established 1917)-Income Building South Bend, Ind.



Are you making PROGRESS? If not, are you willing to spend TWO CENTS to learn WHY National Casualty salesmen forge ahead continually?

We have a full line of Commercial, Industrial, Group and Deferred Payment Accident and Health policies. A connection with this company will be the TURNING POINT IN YOUR LIFE.

# NATIONAL CASUALTY COMPANY

Detroit, Michigan

W. G. Curtis, President

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#### WORKMEN'S COMPENSATION

#### Movie Evidence Is Presented

Pennsylvania Compensation Board Upholds Use of Films - Investigator Uncovers Fraudulent Claims

PHILADELPHIA, Dec. 2.—The use of moving pictures as evidence in workmen's compensation cases was upheld by the Pennsylvania workmen's compensation board in a ruling which held that it considered movies much fairer than trying to gather an impression from the testimony of the various parties. Moving pictures were introduced twice last week at hearings. In both cases, the

VINZER & CO CERTIFIED PUBLIC ACCOUNTANTS Specializing in INSURANCE ACCOUNTING 29 S. La Salle Street CHICAGO



movies were taken by J. H. O'Rourke, Jr., insurance investigator. In the first case Marcus Oak, employed by a construction concern, was injured in 1927 when a boom fell on his head. He suffered a fracture of the skull and a dislocated shoulder. Up until May 20, 1930 he was paid full compensation and from then on, partial. Last June, Mr. O'Rourke had the case assigned to him and trailed Oaks to work and took movies of him lifting planks, driving nails and "performing his usual duties in an able manner." The Southern Surety then entered a petition to termimovies were taken by J. H. O'Rourke. Surety then entered a petition to terminate the compensation. It was the first time movies were introduced as evidence and the company won.

and the company won.

The second case was that of Joseph Manson, employed as a sandblaster, who was injured in 1927 when he fell 75 feet from a scaffold in Utica, N. Y. He claimed that as a result of the fall he developed neurological symptoms which made it impossible for him to do any heavy work, ascend scaffold or stoop as it produced vertigo or dizziness. He claimed that he was earning \$75 to \$100 a week as a blaster and since then had claimed that he was earning \$75.00 \$100 a week as a blaster and since then had been able only to operate a light machine in an index company for which he received \$18 a week. He was receiving a full compensation of \$12 a week.

Mr. O'Rourke started his investigation in June and found that in addition, Manager, was doing add jobs of car-

Manson was doing odd jobs of car-pentering, painting and paperhanging. He employed Manson to work on a house he owned. Mr. O'Rourke had him build a scaffold, ascend it until it was 45 feet in the air and paint the cor-nice and the entire house. Mr. O'Rourke took movies of Manson at work and took them in such a position as to re-fute his charges. fute his charges.
When the films were introduced as

evidence, Manson's attorney objected evidence, Manson's attorney objected strenuously but Referee Berry admitted them into evidence over the objections. In addition, Referee Berry called in the other referees of the board and the board doctors, all of whom commented favorably upon the movies, stating that the pictures showed the event identical the pictures showed the exact, identical the pictures showed the exact, defining evidence of how long it would take a man to stoop, stand up, etc. Their value, they said, lay in the fact that one can visualize what a man is able to do and how he does it. The case was taken under advicement under advisement.

#### Supreme Court Sets Aside Reopening of Old Cases

OKLAHOMA CITY, Dec. 2.—The action of the Oklahoma industrial commission in reopening the case of W. S. Ray, employed by the Indian Territory Illuminating Oil Company, and making a second award for compensation, has been set aside by the supreme court. The Aetna Life was the insurance carrier. The court rules that after award has been made and approved the commission is without jurisdiction to reopen the case.

open the case.

In another similar case, Cass Graham and Industrial Commission vs. Summit Drilling Company and Globe Indemnity, in which an award was made in 1926, the commission reopened the case in February, 1931, on the alleged grounds of changed conditions. The case is re-manded back to the commission for the manded back to the commission for the purpose of complying with certain instructions of the court. In passing on the case, however, the court declares that the award made in 1931, in reopening the case, "does not recite or show that there has been any change in conditions on the part of the respondent; neither is there any showing made that the commission found sufficient change the commission found sufficient change in conditions to reopen the case.

#### **Emergency Raise Granted** in Massachusetts, Georgia

Emergency increases in workmen's compensation rates have been granted by Massachusetts and Georgia. The Massachusetts increase is 12.4 percent

Massachusetts increase is 12.4 percent and in Georgia it is 10.8 percent.
Action is still pending on the revisions in Missouri, Arizona and Hawaii and those for Virginia are virtually ready for filing, according to W. F. Roeber, general manager National Council on Compensation Insurance.

#### Haydon to Address Contractors

George F. Haydon, manager of the George F. Haydon, manager of the Wisconsin Compensation Rating & Inspection Bureau, will be one of the principal speakers before the annual meeting of Associated Contractors in Milwaukee Dec. 17. Mr. Haydon will talk on workmen's compensation insurance and will answer questions proposed by and will answer questions proposed by the contractors.

#### Chowen Talks to Ice Men

Explaining in detail the construction Explaining in detail the construction of compensation insurance rates and urging that proper safety devices and education be provided for employes, Walter A. Chowen, manager of the California Inspection Rating Bureau, addressed the Northern & Southern California Association of Ice Industries at Del Monte Dec. 1. He pointed out numerous ways in which his listeners could secure material reductions in compensation rates. pensation rates.
From Del Monte Mr. Chowen went

on to Los Angeles, where he met with casualty representatives in the southern part of the state. He will return to San Francisco Dec. 7.

insurance department and W. V. How-land & Co., New Orleans, on the ques-tion of whether the department can regtion of whether the department can reg-ulate rates on two lumber risks with de-ductible average or excess coverage en-dorsement, has been closed by the Ala-bama department with the approval of rates coming through the proper chan-nels, but a flare back from Howland & Co. is expected because one of the rates is one-third less than the New Orleans firm wanted. firm wanted.

#### Compensation Not Required

TOPEKA, Kan., Dec. 2.—The special work which Kansas community committees arrange to take care of unemployed workers does not come under the workmen's compensation law but compensation insurance may be taken out as a matter of protection to the committees, according to G. Clay Baker, Kansas compensation commissioner. Kansas compensation commissioner,

#### Appeal Oklahoma Rate Raise

OKLAHOMA CITY, Dec. 2.—The Associated Industries of Oklahoma will appeal to the supreme court from the action of the state insurance board in action of the state insurance board in granting an increase of 47.5 percent in compensation rates. It is contended by the Associated Industries that the increase granted was not warranted by the figures submitted by the companies. There never has been an exhaustive court review of compensation rating questions and this case is therefore likely to be of nation-wide interest.

# BURGLARY

#### Burglary Club in Mail Vote

J. MacGregor and H. P. Schewe Are Candidates for President of Chicago Association

Small attendance left the annual meeting of the Burglary Underwriters Club of Chicago Tuesday without a quorum, of Chicago Tuesday without a quorum, so the matter of election of officers was passed up and is being submitted to a mail vote. J. MacGregor and H. P. Schewe, Glens Falls, head the slate to succeed Ralph Johnston, Moore, Case, Lyman & Hubbard as president; Howard Griffith, Massachusetts Bonding, and L. M. Haarvig, Rockwood Company, for vice-president, and W. A. Coan, American Bonding, and A. A. Rice, Great American Indemnity, for secretary-treasurer. secretary-treasurer.

President Johnston is slated for chair-

man of the executive board, and others on the slate for the board are G. M. Reick, Aetna; J. H. Tallon, Travelers; C. F. Tanner, Marsh & McLennan, and Martin Patt, United States Fidelity & Geography.

#### Warns Against Safety Boxes

LINCOLN, NEB., Dec. 2.-Secre-LINCOLN, NEB., Dec. 2.—Secretary Hughes of the Nebraska Bankers Association has advised bankers to refuse responsibility for any monies cached in safe deposit boxes in their vaults. He says that hundreds of thousands of dollars have thus been sequestered in boxes during the last few weeks because of the fact that upwards of 25 banks have closed in Nebraska since Sept. 1, and that insurance to protect the banker from loss would be prohibitive. Banks cannot be forced to guarthe banker from loss would be prohibi-tive. Banks cannot be forced to guar-antee the safety of the contents of these boxes, he says, and he predicts that, as was true after the world war when these boxes were crammed with liberty bonds, the bank robbers will be turning their attention to them rather than to the cash boxes of the banks.

Agree on Deductible Rates

MONTGOMERY, ALA., Dec. 2.—
The controversy between the Alabama

An insurance library in two volumes?
The Fire, Casualty & Surety Bulletins, published by The National Underwriter, is a necessity to every man who sells those lines.

AMERICAN CASUALTY COMPANY READING, PENNSYLVANIA

Big enough for your needs—but not overgrown

Incorporated 1902

Inquire about our excellent agency proposition

Assets nearly Four Million Dollars

AUTOMOBILE PUBLIC

BURGLARY

ACCIDENT

LIABILITY

LIABILITY

HEALTH

PROP. DAMAGE TEAMS

PLATE GLASS WORKMEN'S

COLLISION

ELEVATOR STEAM BOILER COMPENSATION



# New! Unusual! Far Ahead of the Crowd!

That's What Franchise Holders are Saying about this

# New Color Rotogravure Pictorial

"We think the New Pictorial with its color effect is a knockout."—C. M. Hunt & Co., Nashville, Tenn.

"As an attention getter we believe it superior to the old, which wasn't so bad itself."—Wetherald, Pfau & Bolin, Wenatchee, Wash.

"New Insurance Pictorial is very fine. This should make The Pictorial much more distinctive." Horace E. Stedman Co., Sturgeon Bay, Wis.

"I believe the Color Pictorial is wonderful. Nothing which I know of at present begins to have as much action and helps put over sales."—The Woodward Agency, Inc., Niagara Falls, N. Y.



"We agree with you that the New Pictorial is a better Pictorial."—Sturtevant-Overin Co., New York City.

"We believe the new form with the color is much more attractive."—C. J. Adams Co., Atlantic City, N. J.

"We are sold on it and think it is a BIG improvement over the old one." Schroyer & Cline, Chicago, Illinois.

"The New Insurance Pictorial surely draws the eye; it should and will draw in more business."

—Haney Lloyd Chattin, Ocean City, N. J.

EIGHT years ago, the Insurance Pictorial was first produced. It offered the fire and casualty agent a planned systematic program of continuous advertising. The plan has thoroughly demonstrated its value in hundreds of agencies in every section of the country. No other plan of advertising that we know of has been so continuously popular and effective.

So successful was The Pictorial that we hesitated to make any change whatever. But we wanted to keep ahead of the crowd. Other advertisers—large ones to be sure—were using Rotogravure. The field is constantly increasing. Next year there will be more. We believe the time will soon come when one color rotogravure will be no novelty.

Color rotogravure, just recently perfected, offered us the opportunity to again lift The Pictorial out of the crowd. It gave us the opportunity of producing for the insurance agent, advertising that would be far ahead of that used in other lines—in interest, in beauty, and in effectiveness.

And the response from subscribers indicates that our guess was right.

With the New Color Pictorial, the plan re-

mains the same. Hundreds of agents have demonstrated that it pays to keep in touch with clients and prospects by means of an interesting pictorial bulletin. And the bulletin—The Pictorial—haş been made more interesting. It has been given a new appeal through color. And it offers greater individuality for each franchise holder.

Even the larger advertisers, who have begun to use Rotogravure in the past few years, have not attempted color rotogravure. It is too expensive—too difficult to work with. But now, the insurance agent can secure advertising which is far ahead of any rotogravure printing which even the largest advertisers of the country are using. And the cost of The Pictorial has not been increased.

# Individual Advertising

It is not necessary that you call this the Insurance Pictorial. You can give this monthly publication any name you choose. The Sturtevant-Overin Company, of New York, whose slogan is "Up-to-the-Minute Insurance Service," calls their Pictorial "The Minute Man." Fred L. Gray, of Minneapolis, calls his "Gray Matter." C. M. Hunt Company, of Nashville, Tenn., name their Pictorial bulletin "Insurance Service."

Your name, address, etc., is also printed on the first page. This is the only name that appears on the publication; ours appears nowhere. In addition, you can still further stress your service, and make the Pictorial a more individual service, by special copy on the back page.

# Exclusive!

Except in the largest cities, The Pictorial is sold on the exclusive basis. Only one agency in a city can distribute it. Of course, there are many cities that are closed, but your city may be one in which the franchise is available.

Find out about the franchise for your city. Ask for sample copies, prices, and other information. Use this coupon.

#### The National Underwriter Co., A1946 Insurance Exchange, Chicago, Illinois

Please send me sample copies and complete information regarding the exclusive franchise in my city for your new color rotogravure Pictorial.

NAME					**																
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CITY		 	*								S	7	A	1	E						



# UNDER PRESSURE

STEAM boilers and other vessels which operate under pressure should be adequately insured. The trouble with the average insurance man is that he only writes such business 'under pressure' .... pressure brought about by actual inquiries of interested clients.

The Employers' Group General Agency or Branch Office in your territory will be glad to assist you on these lines.



The Employers' Pioneer regularly contains articles concerning boiler and machinery insurance.

We would be glad to place you on the mailing list, no obligation on your part.

# THE EMPLOYERS' GROUP

The Employers' Liability Assurance Corporation, Ltd., . . . . . The Employers' Fire Insurance Company . . . . American Employers' Insurance Company . . . . 110 Milk Street, Boston, Massachusetts